RA 26-405

EMPLOYMENT APPEAL BOARD[486]

Regulatory Analysis

Notice of Intended Action to be published: 486—Chapter 3
"Unemployment Insurance Appeals"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 10A.601(4) and 10A.601(6)

State or federal law(s) implemented by the rulemaking: Iowa Code section 10A.601 and chapter 96

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

December 29, 2026	Via videoconference:
11 a.m.	meet.google.com/jat-xmxh-jte

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Employment Appeal Board no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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Employment Appeal Board
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Des Moines, Iowa 50321
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Purpose and Summary

This proposed rulemaking modernizes the regulations to account for current law and practice. Rules on disqualification and ex parte communication have been replaced with a referral to the Uniform Rules on Agency Procedure. The appeal by the Iowa Workforce Development Department (Department), allowed by Iowa Code section 10A.601, has been given a specific deadline since Iowa Code section 10A.601 currently has none for appeals by the agency decision-maker. By making the appeal more explicit and giving a slightly longer appeal deadline than for others, the proposed rule permits the Department the time needed to find apparent errors. The Department, however, is only given this time to appeal under this proposed rule in one-party cases that otherwise would not get appealed if the single party wins, even if the administrative law judge made an evident error. This is corrected by the proposed regulation.

The reference to rule 481—2.3(10A) is to that rule as published herein (**RA 26-404**, IAB 11/25/26).

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

- **Classes of persons that will bear the costs of the proposed rulemaking:**

There is no additional expected cost to the State or individuals.

- **Classes of persons that will benefit from the proposed rulemaking:**

Parties appearing before the Board in second-level unemployment appeals will benefit.

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

- **Quantitative description of impact:**

There is no expected economic impact created by this proposed rulemaking.

- **Qualitative description of impact:**

There is no expected economic impact created by this proposed rulemaking.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

There is no expected economic impact created by this proposed rulemaking.

- **Anticipated effect on State revenues:**

There is no significant effect on State revenues created by this proposed rulemaking. By more explicitly allowing appeals from the Department in one-party cases, principally overpayments, the proposed rules allow the agency to bring to the attention of the Board issues affecting the tax-supported fund in those situations where no other person or party would have standing to point out the error. This has the potential to have a beneficial, but minor, effect on the fund.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

Not applicable.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

Not applicable.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

No alternative methods were considered.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

There is no expected impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 486—Chapter 3 and adopt the following **new** chapter in lieu thereof:

CHAPTER 3
UNEMPLOYMENT INSURANCE APPEALS

486—3.1(10A) Appeals.

3.1(1) *Scope of chapter.* This chapter applies only to appeals from decisions of administrative law judges issued pursuant to Iowa Code chapter 96.

3.1(2) *Form and time of appeal.* A party aggrieved by a decision of an administrative law judge may appeal to the employment appeal board within 15 days from the date of the decision. The appeal must be written and should state the grounds for the appeal. The appeal board will dismiss appeals that are not filed within 15 days from the date of the administrative law judge's decision unless good cause for the delay has been shown. The filing date of an appeal is determined as set forth in rule 486—2.3(10A).

3.1(3) *Issues on appeal.* The appeal board may consider any issue raised by the action pertaining to the eligibility of an individual for unemployment insurance benefits. If new issues appear, different from those that are noticed before the administrative law judge, the appeal board may remand those issues to an administrative law judge for appropriate action. Also, the appeal board may decide any issue material to the appeal, even if not noticed for the administrative hearing, but only if the appeal board in so acting will not cause material prejudice to the substantial rights of any party.

3.1(4) *New or additional evidence.*

a. An application to present new or additional evidence must be in writing. Submissions of evidentiary material to the appeal board will be liberally construed as applications to present new or additional evidence. An attachment of evidentiary material to an appeal, argument, or other submission to the appeal board may be treated by the appeal board as an application to present new or additional evidence. If the appeal board decision fails to explicitly rule on an application to present new or additional evidence, then that application is deemed denied for failure to show the required good cause for post-hearing submission.

b. In considering whether to grant an application to present new or additional evidence, the appeal board will generally consider the nature of the evidence, the materiality of that evidence, and the reasons why the evidence was not introduced at the hearing before the administrative law judge. For the new or additional evidence to be admitted, the applicant must demonstrate both materiality and good cause for failure to present the evidence at hearing. Failure to obtain the evidence in time to submit for consideration at hearing is not good cause where the evidence was available in time with the exercise of due diligence.

c. Whenever the appeal board, on its own motion, or upon the application of a party, orders the taking of new or additional evidence, the appeal board will remand the matter to an administrative law judge unless the evidence ordered to be admitted is only documentary. The issues at such a hearing are limited to those issues designated by the appeal board.

d. If only documentary evidence is to be admitted, a copy of the evidence will be provided by the appeal board to each of the parties. The parties will have ten days to submit written arguments addressing that evidence. The party who has not submitted the new evidence may submit rebuttal evidence to the new evidence. The appeal board may then consider the submitted evidence when making its decision.

3.1(5) *Remand of appeals.* The appeal board may remand for appropriate action any issue pertaining to a claim. The remand may be either to an administrative law judge or to the workforce development department.

3.1(6) *Written briefs and arguments.* The parties may submit written arguments concerning the appeal. The appeal board will notify the parties in writing of the deadline to submit arguments. A request for extension of time to submit arguments must be made within the time set for submission of the arguments. Each party may receive one seven-day extension without justification. Requests for second extensions will be granted only at the discretion of the chairperson of the appeal board.

3.1(7) *Withdrawal of appeal.* An appeal may be withdrawn at any time prior to the issuance of a decision upon the request of the appellant and with the approval of the appeal board. The appeal board will generally deny a request to withdraw where it appears that the request was made in error, including those instances where the appellant has misunderstood the consequences of a withdrawal. An appellant may request reconsideration of an approval of withdrawal within the period provided for rehearing in the Iowa administrative procedure Act.

486—3.2(10A) Non-party agency appeals.

3.2(1) A duly authorized representative of the workforce development department may file with the appeal board an appeal from an administrative law judge decision if that decision reversed or modified a decision issued by the workforce development department. All such appeals are subject to the limitations set out in this rule.

3.2(2) A representative of the workforce development department may not appeal a decision of an administrative law judge pursuant to this rule if that decision was issued in a case with more than one party.

3.2(3) A representative of the workforce development department may not appeal a decision of an administrative law judge pursuant to this rule if the workforce development department was a party to the case before the administrative law judge. In such cases, the workforce development department can appeal to the appeal board but only in the same manner as any other aggrieved party.

3.2(4) The appeal board will dismiss appeals filed pursuant to this rule if the appeal was not filed within 30 days from the date of the administrative law judge's decision. This deadline is not subject to a good cause exception.

3.2(5) Appeals that can be filed pursuant to this rule are limited to those that can be appealed to the appeal board under Iowa Code section 96.6. Generally, such appeals concern benefits issues, overpayments, and certain penalties. In particular, the appeal board cannot entertain issues that can be appealed to district court under Iowa Code section 96.7(5).

486—3.3(10A) Appeal board decisions.

3.3(1) An appeal must be decided based upon the evidence contained in the entire record before the administrative law judge, together with any arguments presented to the appeal board. Should the appeal board order additional documentary evidence be admitted to the record, that evidence and argument pertaining to that evidence will also be considered.

3.3(2) Following the review of an appeal or the conclusion of a hearing on appeal, the appeal board will, within a reasonable time, issue a written decision.

3.3(3) Where only two appeal board members vote on an appeal and those two members cannot agree upon the decision, the case may be issued as a split decision, and the decision of the administrative law judge will then be affirmed by operation of law.

3.3(4) If a decision of the appeal board is not unanimous, the decision of the majority controls. The minority member may file a dissent setting forth the reasons why that member fails to agree with the majority. The appeal board, in its discretion, may omit the giving of any reasons for its decision on cases in which the decision of an administrative law judge is affirmed without any alteration or modification.

486—3.4(10A) Disqualification of appeal board members. In all contested case matters before the appeal board, rule 7—2506.23(17A) will govern issues related to ex parte communication, and rule 7—2506.9(17A) will govern disqualification of appeal board members.

486—3.5(10A) Payment of benefits and stay. If the appeal board's decision allows benefits by reversing or modifying an administrative law judge's decision, benefits must be promptly paid. The filing of an application for a rehearing or for judicial review does not by itself stay the effect of the appeal board's decision. On application for a stay pending judicial review, the appeal board will

consider the factors listed in Iowa Code section 17A.19(5)*"c"* when deciding whether to grant the stay.

These rules are intended to implement Iowa Code section 10A.601.