

CHAPTER 21  
UNEMPLOYMENT INSURANCE SERVICES DIVISION

**871—21.1(96) Unemployment insurance services division.**

**21.1(1)** The primary responsibility of this division is to administer the provisions of the Iowa employment security law and related federal programs in accordance with pertinent laws, regulations, and policies. Attorneys who report to the administrator of the unemployment insurance services division perform the legal services for the division pursuant to Iowa Code section 96.17 which empowers the division to employ attorneys to represent it and give advice on all matters coming before it in conjunction with the administration of Iowa Code chapter 96. The division administers the payment of job insurance benefits to eligible individuals, determines which employers are subject to the state and federal laws enacted in this area, supervises the collection of taxes from these employers, and oversees a program to control the quality of benefit payment and revenue collection. These functions are performed by the following bureaus:

*a. Claims case bureau.* The claims case bureau determines the eligibility of individuals claiming unemployment insurance. In addition to the Iowa unemployment insurance benefits, the bureau also processes unemployment insurance for Federal Employees Compensation Act (FECA), Unemployment Insurance for Ex-service Members (UCX), claims for Trade Readjustment Act and Expansion Act (TRA and TEA), Voluntary Shared Work (VSW), and Disaster Unemployment Assistance (DUA). It is also responsible for payments of other special federal unemployment insurance benefits as agreed to by the United States Department of Labor and the state of Iowa.

(1) Claims resolution and consultation section. The claims resolution and consultation section is responsible for screening all employer protests and issuing special investigation reports to the local workforce development centers. This section investigates all labor dispute protests and issues appropriate decisions. This section determines individuals' eligibility on disputed claims for unemployment insurance benefits which are not adjudicated at the local office level. This section reviews decisions that determine which employers will receive charges on claims for unemployment insurance benefits and investigates claims for missing wages. The section also responds to communications involving technical matters related to unemployment insurance and corrects necessary records and database due to subsequent appeal decisions which reverse the prior decision issued on a claim.

(2) Special claims section. The special claims section is responsible for processing claims for FECA, UCX, TRA, VSW, DUA, and any other federal unemployment insurance programs. This section determines eligibility, computes and authorizes payments due, maintains needed records, and makes adjustments or redeterminations as applicable. This section is also responsible for processing initial interstate claims, assisting claimants in calling in their continued claims for payment, notifying employer of claim filing, processing overpayments and underpayments, adjudicating issues, processing interstate appeals, and processing combined wage claims.

*b. Benefit control bureau.* The benefit control bureau is responsible for overseeing the determination of eligibility for individuals claiming unemployment insurance benefits, processing and adjusting benefit payments, document control, and division support. The functions are performed by two sections.

(1) Information control section. The information control section is responsible for the control and conversion of all paper documents compiled during the normal course of business for unemployment insurance claims and taxes. The section converts paper documents to imaged objects or microfilm copies. The section assigns document control information to each paper document which provides automated electronic workflow routing, document retention criteria, document locating information, and computer updates. The section is also responsible for the retrieval of micrographic documents for internal and external customers. The section prepares documents and computer records for release to the public under subpoena or waiver provisions and collects record processing fees. The section is responsible for the child support intercept program in which unemployment insurance benefits are withheld and paid to the child support recovery unit. The section is responsible for the voluntary income tax withholding program in which state and federal taxes are withheld from unemployment insurance benefits. The section is

responsible for reporting tax withholdings and taxable unemployment insurance benefits to the Internal Revenue Service, Iowa department of revenue, and claimants.

(2) *Payment control section.* The payment control section is responsible for determining eligibility of individuals for unemployment insurance benefits. The section performs fact-finding interviews with claimants and employers to resolve issues discovered by recording the responses the claimant provides to questions asked in the weekly continued claim certification process. The section allows or denies benefits based on Iowa employment security law and Iowa administrative rules and issues a determination. The section computes and issues overpayment determinations and underpayment supplemental benefit payments due to misreported earnings or eligibility disqualifications. The section is responsible for all overpayment billing activity which results in an overpayment setup or refund, overpayment decision letter, or overpayment billing notice. The section is responsible for overpayment recovery programs which include withholding of Iowa income tax refunds, Iowa lottery prizes, Iowa vendor payments, and the Interstate Reciprocal Overpayment Recovery Arrangement. The section is responsible for the issuance of duplicate benefit payments for lost, stolen, outdated, or returned payments. The section authorizes and issues replacement warrants or direct deposit transactions. The section verifies financial institution corrections of direct deposit routing and account numbers and updates the database records.

*c. Tax bureau.* The tax bureau is responsible for the maintenance and control of all records of unemployment insurance tax paid by liable employers in the state of Iowa. Taxes collected are deposited in a fund to be subsequently used for benefit payments. The bureau maintains financial records on employers; assigns rates each year to employers; makes all necessary adjustments to ensure proper charging to employers of benefits chargeable to them; maintains records of employer overpayments and refunds; and maintains the necessary contacts with employers' accountants, attorneys, and the general public to ensure the proper and timely submission of all the required reports to the division of unemployment insurance. The bureau is responsible for the collection of delinquent tax contributions, benefit reimbursements, and unpaid interest and penalty assessments from all Iowa employers who file job insurance reports. Staff instigates routine legal actions such as the filing of liens, garnishments, and bankruptcies. Employers are contacted by mail, telephone, or personally to initiate the collection process. The bureau reviews contribution reports against payroll reports for matching totals and verifies the amount of the check against the employer's report. The bureau is responsible for depositing all money received for contribution reports, benefit reimbursements, and interest and penalties with the state treasurer's office. The bureau assigns contribution rates to employers, handles the accounting work on partial changes of ownership, adjusts the amounts owed by employers, and audits the taxable wages reported by the employer in accordance with state and federal requirements. It is the bureau's responsibility to contact Iowa and out-of-state employers who do business in Iowa to establish taxpayers' liability under the law; explain the law's provisions; secure information and make determinations pertaining to new accounts, successorships and terminating tax liability; collect delinquent contributions; give information and assistance to ensure compliance in the preparation of tax reports and in securing refunds of overpaid taxes; conduct investigations on FUTA discrepancy problems, contractor registration issues, business closings, and claimant requests for omitted wage credits; determine employer/employee and independent contractor relationship issues; assist in fraud investigations; conduct payroll and financial audits; and appear as an expert witness at employer liability hearings. The bureau also provides services to other states that request assistance with unemployment insurance enforcement of Iowa-based employers who conduct business in their states. The bureau also assigns all field audit work. Information is entered into the automated system which generates materials to be utilized by the field audit staff in conducting an employer inquiry and audit.

*d. Field audit bureaus.* Rescinded IAB 5/5/10, effective 6/9/10.

*e. Investigation and recovery bureau.* The investigation and recovery bureau is responsible for aggressive action to prevent, detect, investigate and penalize fraudulent actions on the part of employing units and individuals claiming unemployment insurance benefits. The bureau also recovers overpayments and files liens and garnishments to assist with recovery of overpayments. The bureau verifies that aliens are entitled to unemployment insurance and investigates and disqualifies those

that are not eligible. The bureau conducts the fictitious employer detection program to discover employers set up for the purpose of fraudulent activities. The bureau also prosecutes violations of the Iowa employment security law including fraudulent receipt of unemployment insurance benefits in conjunction with each county attorney in Iowa. The bureau also investigates and determines whether an unemployment insurance warrant has been forged and whether it should be reissued.

*f. Quality control bureau.* The quality control bureau is responsible for the collection and analysis of data pertaining to both the accuracy of payments as well as the effectiveness of revenue collection processes for the unemployment insurance program. Quality control reports directly to the division administrator as it works to support the development and execution of corrective action plans for the improvement of the program. In addition, quality control is responsible for validation of the unemployment insurance data reports, identification and analysis of risk factors which could threaten the unemployment insurance program, and maintenance of the data processing capabilities to store and transmit various agency-required reports to the federal government.

**21.1(2)** Reserved.

This rule is intended to implement Iowa Code chapter 96.

[ARC 8711B, IAB 5/5/10, effective 6/9/10]

[Filed 1/20/99, Notice 12/16/98—published 2/10/99, effective 3/17/99]

[Filed ARC 8711B (Notice ARC 8583B, IAB 3/10/10), IAB 5/5/10, effective 6/9/10]