

## INTERSTATE RECIPROCAL OVERPAYMENT RECOVERY ARRANGEMENT

ICESA's records indicate that the following states participate in the Interstate Reciprocal Overpayment Recovery Arrangement

Alabama

Alaska

Arizona

Colorado

District of Columbia

Idaho

Indiana

Iowa

Kansas

Maryland

Minnesota

Mississippi

Missouri

Montana

Nebraska

Nevada

North Carolina

North Dakota

Ohio

Oklahoma

Oregon

South Carolina

South Dakota

Tennessee

Texas

Utah

Vermont

Virginia

Washington

West Virginia

Wisconsin

Wyoming

Virgin Islands

## INTERSTATE RECIPROCAL OVERPAYMENT RECOVERY ARRANGEMENT

### I. Purpose of Arrangement

This Arrangement governs State agencies which adopt the Arrangement. The purpose of this arrangement shall be to provide methods for the recovery of improper payments of State and Federal unemployment compensation benefits from individuals filing under the Interstate Benefit Payment Plan, the Interstate Arrangement for the Combining of Employment and Wages, or Intrastate under any State's law

To effectuate this purpose, the unemployment compensation administrative agencies (hereinafter referred to as State agencies) subscribing hereto shall act as agents for each other in a reciprocal arrangement for recovery of overpayments of benefits.

### II. Interstate Benefit Payment Committee -- Powers and Functions

A. To implement this Arrangement, the Interstate Benefit Payment Committee (hereinafter referred to as the Committee) shall:

1. Encourage cooperation between and assist the State agencies subscribing to this Arrangement in the furtherance of its purpose.

2. Recommend rules, regulations, instructions, procedural forms, and interpretative decisions relating to this Arrangement to be utilized by the State agencies.

3. Aid in adjusting differences between the State agencies.

4. Do any and all things necessary, consistent with the purposes of this Arrangement, provided that nothing expressed or implied in this Arrangement shall be construed as affording the Committee authority to exercise the powers of the State agencies or of the Employment and Training Administration.

B. The Employment and Training Administration may provide technical assistance to the Committee in the performance of its duties.

### III. State Agencies - Duties and Privileges

A. Each participating State agency shall cooperate with each other and with the Committee.

B. Each participating State agency shall adopt and put into effect rules, regulations, instructions, procedural forms and interpretative decisions relating to this Arrangement recommended by said Committee except where found by the State agency to be clearly inconsistent with the statutory provisions of its unemployment compensation law.

C. Each participating State agency shall, insofar as possible, accede to jurisdiction of the Committee in adjusting differences between such State agencies.

D. Each participating State agency may call upon the Committee for assistance in any matter relating to the purpose of the Arrangement.

E. Nothing in this Arrangement shall be construed as a prohibition upon the State agencies adopting such special arrangements as may appear desirable.

### IV. Arrangement - Commencement and Duration

A State agency may later subscribe to this Arrangement by filing a notice of

acceptance with the chairperson of the Committee provided for in this Arrangement.

Any subscribing State agency may cease to participate in this Arrangement by filing notice of its intention with the chairperson of the Committee. In such event, its participation shall cease at the expiration of six (6) months from the date of filing such notice.

For the purpose of this Arrangement the term "State agency" shall include the District of Columbia, Puerto Rico, and the Virgin Islands.

December 1987

---

NOTICE OF ACCEPTANCE

OF

INTERSTATE RECIPROCAL OVERPAYMENT RECOVERY ARRANGEMENT

The \_\_\_\_\_,  
agency administering unemployment compensation to and for the State of \_\_\_\_\_ hereby gives notice that it accepts the Interstate Reciprocal Overpayment Recovery Arrangement approved by the Interstate Conference of Employment Security Agencies on July 23, 1987.

Signed \_\_\_\_\_,  
(Name) (Title)  
who is duly authorized to sign this instrument on behalf of said agency.

Date \_\_\_\_\_

---

SUGGESTED REGULATIONS FOR INTERSTATE OVERPAYMENT  
RECOVERY  
TO BE ADOPTED BY EACH STATE

The following regulation shall govern the (name of State agency), in its administrative cooperation with other States adopting a similar regulation for the recovery of overpayments.

## 2. Definitions

As used in this Arrangement unless the context clearly requires otherwise:

- (a) "State" includes the District of Columbia, Puerto Rico, and the Virgin Islands.
- (b) "Offset" means the withholding of an amount against benefits which would otherwise be payable for a compensable week of unemployment.
- (c) "Overpayment" means an improper payment of benefits, from a State or Federal unemployment compensation fund that has been determined recoverable under the Requesting State's law.
- (d) "Participating State" means a State which has subscribed to the Interstate Reciprocal Overpayment Recovery Arrangement.
- (e) "Paying State" means the State under whose law a claim for unemployment benefits has been established on the basis of combining wages and employment covered in more than one State.
- (f) "Recovering State" means the state that has received a request for assistance from a "Requesting State".
- (g) "Requesting State" means the State that has issued a final determination of overpayment and is requesting another State to assist it in recovering the outstanding balance from the overpaid individual.
- (h) "Transferring State" means a State in which a Combined Wage claimant had covered employment and wages in the base period of a paying State, and which transfers such employment and wages to the paying State for its use in determining the benefit rights of such claimant under its law.
- (i) "Liable State" means any state against which an individual files, through another state, a claim for benefits.

## 3. Recovery of State or Federal Benefit Overpayments

(a) Duties of Requesting State. The requesting State shall:

(1) Send the recovering State a written request for overpayment recovery assistance which includes:

(A) certification that the overpayment is legally collectable under the requesting State's law;

(B) certification that the determination is final and that any rights to postponement of recoupment have been exhausted or have expired;

(C) a statement as to whether the State is participating in cross-program offset by agreement with the U.S. Secretary of Labor; and,

(D) a copy of the initial overpayment determination and a statement of the outstanding balance.

(2) Send notice of this request to the claimant; and,

Send to the recovering State a new outstanding overpayment balance whenever the requesting State receives any amount of repayment from a source other than the recovering State (e.g., interception of tax refund, etc.).

(b) Duties of Recovering State. The Recovering State shall:

(1) Issue an overpayment recovery determination to the claimant which includes at a minimum:

(A) the statutory authority for the offset;

(B) the name of the State requesting recoupment;

(C) the date of the original overpayment determination;

(D) type of overpayment (fraud or nonfraud);

(E) program type (UI, UCFE, UCX, TRA, etc.)

(F) total amount to be offset;

(G) the amount to be offset weekly;

(H) the right to request redetermination and appeal of the determination to recover the overpayment by offset.

(2) Offset benefits payable for each week claimed in the amount determined under State law; and,

(3) Provide the claimant with a notice of the amount offset; and,

(4) Prepare and forward, no less than once a month, a check representing the amount recovered made payable to the requesting State, except as provided in section (c) below.

(5) Retain a record of the overpayment balance in its files no later than the exhaustion of benefits, end of the benefit year, exhaustion or end of an additional or extended benefits period, or other extensions of benefits, whichever is later.

(6) The Recovering State shall not redetermine the original overpayment determination.

(c) Combined Wage Claims

(1) Recovery of Outstanding Overpayment in Transferring State. The paying State shall:

(A) Offset any outstanding overpayment in a Transferring State(s) prior to honoring a request from any other "Participating State" under this Arrangement.

(B) Credit the deductions against the Statement Of Benefits Paid To Combined Wage Claimants, Form IB-6 or forward a check to the Transferring State as described in (b) (4).

(2) Withdrawal of Combined Wage Claim After Benefits Have Been Paid.

Withdrawal of a Combined Wage Claim after benefits have been paid shall be honored only if the combined wage claimant has repaid any benefits paid or authorizes the new liable State to offset the overpayment.

(A) The Paying State shall issue an overpayment determination and forward a copy, together with an overpayment recovery request and an authorization to offset, with the initial claim to the new liable State.

(B) The Recovering State (which is the new liable State) shall:

1) Offset the total amount of any overpayment, resulting from the withdrawal of a Combined Wage claim, prior to the release of any payments to the claimant;

2) Offset the total amount of any overpayment, resulting from the withdrawal of a Combined Wage Claim prior to honoring a request from any other Participating State under this arrangement;

3) Provide the claimant with a notice for the amount offset; and,

4) Prepare and forward a check representing the amount recovered to the Requesting State as described in (b) (4).

(d) Cross-Program Offset

The Recovering State shall offset benefits payable under a State unemployment compensation program to recover any benefits overpaid under a Federal unemployment compensation program (as described in the Recovering State's Agreement with the Secretary of Labor) and vice versa, in the same manner as required under subsection 3 (b) and (c) of this Section, as appropriate, if the Recovering State and Requesting State have entered into an agreement with the U.S. Secretary of Labor to implement Section 303(g)(2) of the Social Security Act.

December 1987