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Title 22@ Social Security

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Division 1@ Employment Development Department

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Subdivision 1@ Director of Employment Development

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Division 1@ Unemployment and Disability Compensation

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Part 1@ Unemployment Compensation

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Chapter 4@ CONTRIBUTIONS AND REPORTS

**1178(c)-1 Disposition of Erroneous Worker Contributions**

Article 9@ REFUNDS AND OVERPAYMENTS

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Section 1178(c)-1@ Disposition of Erroneous Worker Contributions

(a) With respect to worker contributions withheld from individuals and included in any refund or credit allowed by the director, the employing unit, or other person who made the overpayment, or its or his successor, administrators, or executors, shall submit to the director satisfactory evidence that refund has been made to the individuals of such contributions or that the claimant has been unable to make the refunds or a portion of them. If the evidence is not submitted within one year after allowance of credit or approval of the claim for refund no refund of employer or employee contributions, penalty, or interest shall be made nor credit for employee contributions allowed. Satisfactory evidence of such refunds may be in the form of a certified list of paid checks by which the refunds were made or in the form of receipts signed by the individuals. If any of the refunds cannot be made for any reason, the employing unit or other person who made the overpayment, or its or his successor, administrators, or executors, shall submit to the director a certified list of such erroneous deductions for worker contributions showing the names, social security account numbers, and last known addresses of the individuals and the amounts due each of them. The director shall deduct from the refund or credit due the claimant for worker contributions included in the claim the aggregate amount of such worker contributions which have not been refunded to the individuals and shall withhold it in trust for the individuals to whom the

overpayments are owing. Such worker contributions shall be refunded to the individuals by the director wherever it is practicable to do so.

**(b)**

Any employing unit, or other person who makes an overpayment, or its or his successor, administrators, or executors, is not required to refund erroneous deductions for worker contributions as a condition precedent to receiving a refund of employer contributions, penalty, or interest if any of the following conditions exist: (1) The employing unit or other person who made the overpayment has been declared a bankrupt. (2) The employing unit, or other person who made the overpayment, or its or his successor, administrators, or executors, is unable to make such refund by reason of a pending court action. (3) An employing unit under a voluntary plan makes deductions for worker contributions on voluntary plan wages for services which do not constitute "employment."

**(1)**

The employing unit or other person who made the overpayment has been declared a bankrupt.

**(2)**

The employing unit, or other person who made the overpayment, or its or his successor, administrators, or executors, is unable to make such refund by reason of a pending court action.

**(3)**

An employing unit under a voluntary plan makes deductions for worker contributions on voluntary plan wages for services which do not constitute "employment."

**(c)**

Compliance with the procedure for refund of erroneous deductions for worker contributions is required if either of the following conditions exist:(1) Deductions

have been made on wages in excess of the limitation prescribed by Section 985 of the code. (2) Deductions have been made at a rate greater than the rate prescribed by Section 984 of the code.

**(1)**

Deductions have been made on wages in excess of the limitation prescribed by Section 985 of the code.

**(2)**

Deductions have been made at a rate greater than the rate prescribed by Section 984 of the code.