

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

68-0157 (9-06) - 3091078 - EI

JEREMY P JONES
Claimant

APPEAL NO. 13A-UI-08420-SWT

**ADMINISTRATIVE LAW JUDGE
DECISION**

WHEATON FRANCISCAN SERVICES INC
Employer

OC: 06/16/13
Claimant: Respondent (1)

Section 96.5-1 - Voluntary Quit

STATEMENT OF THE CASE:

The employer appealed an unemployment insurance decision dated July 9, 2013, reference 01, that concluded the claimant voluntarily quit employment with good cause attributable to the employer. A telephone hearing was held on August 21, 2013. The parties were properly notified about the hearing. The claimant participated in the hearing. Anna Zizzo participated in the hearing on behalf of the employer with Missy Santman. Exhibits One, Two, and Three were entered into evidence.

ISSUE:

Did the claimant voluntarily quit employment without good cause attributable to the employer?

FINDINGS OF FACT:

The claimant worked full time for the employer from January 2000 to January 14, 2013. He worked his way up from a computer operator to supervisor, technology services. He was promoted to the supervisor position in December 2008. His rate of pay for the job was \$35.12 per hour.

In May 2013, the employer notified the claimant that it was eliminating the claimant's supervisor position effective June 14, 2013, due to a department restructuring. The claimant was informed that he was being offered a lead, technology services position at rate of pay of \$33.36, effective June 17, 2013.

The claimant declined the positioned offered because of the change in his rate of pay and the change in his job duties, which eliminated his supervisor duties. He would have been working in a nonsupervisory position with employees who he had previously supervised, which he found demeaning. As a result, the claimant voluntarily quit employment.

REASONING AND CONCLUSIONS OF LAW:

The unemployment insurance law disqualifies claimants who voluntarily quit employment without good cause attributable to the employer or who are discharged for work-connected misconduct. Iowa Code § 96.5-1 and 96.5-2-a.

871 IAC 24.26(1) provides:

Voluntary quit with good cause attributable to the employer and separations not considered to be voluntary quits. The following are reasons for a claimant leaving employment with good cause attributable to the employer:

(1) A change in the contract of hire. An employer's willful breach of contract of hire shall not be a disqualifiable issue. This would include any change that would jeopardize the worker's safety, health or morals. The change of contract of hire must be substantial in nature and could involve changes in working hours, shifts, remuneration, location of employment, drastic modification in type of work, etc. Minor changes in a worker's routine on the job would not constitute a change of contract of hire.

The question is whether the changes in the claimant's rate of pay and job duties provided good cause attributable to the employer to leave employment. Although the rule refers to the "contract of hire," good cause for leaving is not restricted to individuals with written contracts or only to changes to the "hiring agreement." The unemployment insurance rules do not set forth the only "good causes" that qualify an individual for unemployment insurance in quit cases because the statute is the ultimate law governing a claimant receiving benefits. Substantial changes in the term and conditions of employment made by an employer also constitute good cause attributable to the employer to leave employment.

Are the cut in pay and changes in job duties in this case substantial changes in the terms and conditions of employment? In *Dehmel v. Employment Appeal Board*, 433 N.W.2d 700 (Iowa 1988), the Iowa Supreme Court ruled that a 25 percent reduction in hours was, as a matter of law, a substantial change in the contract of hire. *Id.* at 703. Although the pay reduction was five percent in this case, the claimant's previous job was eliminated and his new job eliminated the supervisory duties that accounted for about 50 percent of his time. The combination of the reduction in pay and the changes in the job duties was substantial.

The next question is whether the fact that the change was for business reasons prevents the change in the terms of employment from being good cause attributable to the employer. The Court in *Dehmel* specifically rejected the employer's argument that the change could not be considered substantial because it was based on economic circumstances beyond the control of the employer. The Court stated:

It is not necessary to show that the employer acted negligently or in bad faith to show that an employee left with good cause attributable to the employer. . . . [G]ood cause attributable to the employer can exist even though the employer be free from all negligence or wrongdoing in connection therewith.

The evidence establishes the claimant voluntarily quit employment with good cause attributable to the employer.

DECISION:

The unemployment insurance decision dated July 9, 2013, reference 01, is affirmed. The claimant is qualified to receive unemployment insurance benefits, if he is otherwise eligible.

Steven A. Wise
Administrative Law Judge

Decision Dated and Mailed

saw/css