

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

**JENNIFER KRUMM**

Claimant

**APPEAL 16A-UI-12228-DB-T**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**AMERICAN PACKAGING CORP**

Employer

**OC: 10/16/16**

**Claimant: Appellant (2)**

Iowa Code § 96.5(1) – Voluntary Quitting  
Iowa Code § 96.5(2)a – Discharge for Misconduct

**STATEMENT OF THE CASE:**

The claimant/appellant filed an appeal from the October 31, 2016 (reference 01) unemployment insurance decision that held claimant ineligible for unemployment insurance benefits. The parties were properly notified about the hearing. A telephone hearing was held on December 1, 2016. Claimant, Jennifer Krumm, participated personally and through witness Theresa Krumm. Employer, American Packaging Corp., did not participate. Claimant's Exhibits A and B were admitted.

**ISSUES:**

Did claimant voluntarily quit the employment with good cause attributable to employer?  
Was the claimant discharged for disqualifying job-related misconduct?

**FINDINGS OF FACT:**

Having reviewed all of the evidence in the record, the administrative law judge finds: Claimant was employed full-time as a pricing analyst assistant beginning in May of 2013 and was separated from employment on October 13, 2016, when she voluntarily quit. Claimant received an annual salary of \$35,000.00. Jon Parkes was claimant's supervisor.

In August of 2015 claimant was contemplating quitting her employment with the company because she was struggling financially in paying for daycare expenses for her three young children with the salary she was making. Claimant met with her supervisor and other persons in management on August 24, 2015. During this meeting the employer and claimant agreed that the employer would pay for claimant's daycare expenses (\$1,000 every two weeks) for the remainder of 2015 and then claimant would be promoted to analyst at the beginning of 2016. When she was promoted to analyst she would receive a raise in pay. The specific amount of the raise in pay was not disclosed to her; however, she confirmed with management that her raise in pay would be consistent with the daycare payments being made as a supplement to her income in 2015. The average salary for an analyst was between \$45,000.00 and \$50,000.00 per year. She was told it was being done this way because the budget was already in place for 2015.

Claimant reached out to Mr. Parkes regarding her promotion on multiple occasions. The first occasion was in January of 2016. The second occasion was in February of 2016 when she received her annual performance review. During her review she was told that she needed to meet a specific list of goals before her promotion would become effective. This was not a term of the agreement from August of 2015. Claimant asked what the specific list of goals was and Mr. Parkes told her that he would need to meet with other management and get back to her.

Claimant inquired about her promotion approximately every two weeks from February through October of 2016. She was given several reasons why she had not received the list of goals and promotion. Those reasons included Mr. Parkes not having time to speak to management about the goals or construction that was going on in the office. Claimant was reassured on each occasion that the goals would be given to her once Mr. Parkes had a chance to meet with management.

Claimant again spoke to Mr. Parkes at the beginning of October, 2016 regarding her promotion. She was again told Mr. Parkes did not have time to discuss the goals; however, this time his tone of voice and lack of empathy led her to believe that Mr. Parkes was insincere about the fact that a promotion would actually be given to her.

Claimant tendered her written resignation to Mr. Parkes on October 13, 2016. She had no further contact with Mr. Parkes or anyone on the management team.

#### **REASONING AND CONCLUSIONS OF LAW:**

For the reasons that follow, the administrative law judge concludes the claimant voluntarily quit her employment with good cause attributable to the employer. Benefits are allowed.

Iowa Code §96.5(1) provides:

An individual shall be disqualified for benefits:

1. Voluntary quitting. If the individual has left work voluntarily without good cause attributable to the individual's employer, if so found by the department.

Iowa Admin. Code r. 871-24.26(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.

In general, a substantial pay reduction of 25 to 35 percent or a similar reduction of working hours creates good cause attributable to the employer for a resignation. *Dehmel v. Emp't Appeal Bd.*, 433 N.W.2d 700 (Iowa 1988). A notice of an intent to quit had been required by *Cobb v. Emp't Appeal Bd.*, 506 N.W.2d 445, 447-78 (Iowa 1993), *Suluki v. Emp't Appeal Bd.*,

503 N.W.2d 402, 405 (Iowa 1993), and *Swanson v. Emp't Appeal Bd.*, 554 N.W.2d 294, 296 (Iowa Ct. App. 1996). Those cases required an employee to give an employer notice of intent to quit, thus giving the employer an opportunity to cure working conditions.

However, in 1995, the Iowa Administrative Code was amended to include an intent-to-quit requirement. The requirement was only added to rule 871-24.26(6)(b), the provision addressing work-related health problems. No intent-to-quit requirement was added to rule 871-24.26(4), the intolerable working conditions provision. Our supreme court concluded that, because the intent-to-quit requirement was added to Iowa Admin. Code r. 871-24.26(6)(b) but not 871-24.26(4), notice of intent to quit is not required for intolerable working conditions. *Hy-Vee, Inc. v. Emp't Appeal Bd.*, 710 N.W.2d 1 (Iowa 2005).

The change to the terms of hire must be substantial in order for the claimant to establish that her voluntary quit was with good cause attributable to the employer. In this case, the claimant has established that the terms of her contract of hire that was negotiated in August of 2015 included her being promoted to analyst and included a raise in pay. While no definite amount of the raise in pay was agreed upon, the parties agreed that it would be similar to the \$1,000.00 in daycare expenses that the employer was making every two weeks on behalf of claimant. This would be an increase in pay of \$26,000.00 per year. At the very least, claimant's salary would be in alignment with the minimum salary that other analysts were making at that time, which was \$45,000.00 per year. This would be a \$10,000.00 increase in pay per year, which is more than 25% of her salary. This is substantial.

Claimant has established that the employer willfully breached of new contract of hire when it failed to promote claimant in January of 2016 and failed to increase her pay, as agreed. This breach of the agreement is substantial. Further, claimant did not acquiesce to the change by failing to quit sooner than she did. Claimant relied upon the employer's statements that the promotion and increase in salary were coming and that it was simply just a matter of her supervisor finding time with management. Claimant's good faith belief that she would receive the promotion in title and increase in salary was reasonable. Claimant's voluntary quit was with good cause attributable to the employer. Benefits are allowed.

#### **DECISION:**

The October 31, 2016 (reference 01) unemployment insurance decision is reversed. The claimant voluntarily quit with good cause attributable to the employer. Benefits are allowed, provided claimant is otherwise eligible.

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Dawn Boucher  
Administrative Law Judge

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Decision Dated and Mailed

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