

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

JENNA M YOUNT
Claimant

JOHNSTON DANCE INC
Employer

APPEAL 20A-UI-11991-JC-T
**ADMINISTRATIVE LAW JUDGE
DECISION**

OC: 03/15/20
Claimant: Respondent (1R)

Iowa Code § 96.3(5) – Benefit Duration - Business Closing
Iowa Admin. Code r. 871-24.29(1) and (2) – Business Closing

STATEMENT OF THE CASE:

The employer/appellant, Johnston Dance Inc., filed an appeal from the September 21, 2020 (reference 01) Iowa Workforce Development (“IWD”) unemployment insurance decision that allowed extended benefits effective August 9, 2020, based on a business closure. The parties were properly notified about the hearing. A telephone hearing was held on November 13, 2020. The claimant, Jenna Yount, participated. The employer participated through Jeanne Chelsen. Mark Chelsen also testified.

The administrative law judge took official notice of the administrative records. Based on the evidence, the arguments presented, and the law, the administrative law judge enters the following findings of fact, reasoning and conclusions of law, and decision.

ISSUE:

Is the claimant eligible for extended unemployment insurance benefits due to a business closure?

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds: Claimant began employment in August 2019. Claimant worked for employer as a dance teacher until August 14, 2020.

Employer closed its business permanently so Ms. Chelsen could retire. The business was not sold to a new owner. Claimant had represented to employer for months that she intended to buy the building and business but ultimately declined. Claimant has since opened her own dance school.

REASONING AND CONCLUSIONS OF LAW:

Iowa unemployment insurance law provides additional benefits for claimants laid off due to their employer going out of business at the factory, establishment, or other premises at which they

were last employed. Iowa Code § 96.3(5). The unemployment insurance rules further provide business-closing benefits are to be paid retroactively to a claimant who is temporarily laid off with the expectation of returning to work and is prevented from returning to work because the employer has gone out of business during the claimant's benefit year. 871 IAC 24.29(1). Finally, the rules define going out of business as any factory, establishment, or other premises of an employer that closes its doors and ceases to function as a business. An employer is not considered to have gone out of business at the factory, establishment, or other premises if the employer sells or otherwise transfers the business to another employer and the successor employer continues to operate the business. 871 IAC 24.29(2).

In this case, claimant was laid off because his employer went out of business at the premises where she was employed. Therefore, claimant is entitled to extended unemployment insurance benefits as she was separated due to a business closure.

The issue of whether the claimant is able to and available for work effective August 9, 2020 due to self-employment is remanded to the Benefits Bureau for an initial investigation and decision.

DECISION:

The September 21, 2020, (reference 01) decision is affirmed. The claimant was laid off due to a business closure. Recalculation of benefits is allowed.

REMAND:

The issue of whether the claimant is able to and available for work effective August 9, 2020 due to self-employment is remanded to the Benefits Bureau for an initial investigation and decision.



Jennifer L. Beckman
Administrative Law Judge
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November 19, 2020
Decision Dated and Mailed

jlb/mh