

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

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

ELIZABETH REGAN
Claimant

APPEAL NO: 07A-UI-06193-BT

**ADMINISTRATIVE LAW JUDGE
DECISION**

LANSING FURNITURE INC
Employer

**OC: 05/27/07 R: 04
Claimant: Respondent (1)**

Section 96.5-1 – Voluntary Quit

STATEMENT OF THE CASE:

Lansing Furniture, Inc. (employer) appealed an unemployment insurance decision dated June 15, 2007, reference 01, which held that Elizabeth Regan (claimant) was eligible for unemployment insurance benefits. After hearing notices were mailed to the parties' last-known addresses of record, a telephone hearing was held on July 9, 2007. The claimant participated in the hearing. The employer participated through owner Kevin Sterk. Based on the evidence, the arguments of the parties, and the law, the administrative law judge enters the following findings of fact, reasoning and conclusions of law, and decision.

ISSUE:

The issue is whether the claimant's voluntary separation from employment qualifies her to receive unemployment insurance benefits.

FINDINGS OF FACT:

The administrative law judge, having heard the testimony and considered all of the evidence in the record, finds that: The claimant was employed as a full-time sales person from September 15, 2003 through May 24, 2007. Her sales had been down for some time so she had mostly worked in the clearance center and performed cleaning tasks. There was some mention about hours changing on May 22, 2007 but no details were provided. The claimant had switched days with another employee and reported to work on May 24, 2007 instead of her regular day. At that time, the owner's wife told the claimant her hours were going to be cut down to two days and if she needed health coverage, she would probably need to find another job. After discussing the job changes with her husband that night, the claimant called the employer and said she would have to find work elsewhere as she needed full-time work and health coverage.

REASONING AND CONCLUSIONS OF LAW:

The issue is whether the claimant's voluntary separation from employment qualifies her to receive unemployment insurance benefits. She is not qualified to receive unemployment

insurance benefits if she voluntarily quit without good cause attributable to the employer. Iowa Code section 96.5-1.

The claimant quit her employment due to a change in the contract of hire. Change in the contract of hire" means a substantial change in the terms or conditions of employment. See *Wiese v. Iowa Dept. of Job Service*, 389 N.W.2d 676, 679 (Iowa 1986). Generally, a substantial reduction in hours or pay will give an employee good cause for quitting. See *Dehmel v. Employment Appeal Board*, 433 N.W.2d 700 (Iowa 1988). The claimant was told by the owner's wife that she was being cut to part-time and was going to lose her health insurance.

The employer testified that no such changes were going to be made to the claimant's position and denied that his wife made those statements to the claimant. However, the employer's wife did not participate and the employer's hearsay testimony does not overcome the claimant's credible, sworn testimony to the contrary. The claimant would have had no reason to leave her employment unless she believed her hours and health care coverage was going to change.

The law presumes a claimant has left employment with good cause when she quits because of a change in the contract of hire. 871 IAC 24.26(1). In analyzing such cases, the Iowa Courts look at the impact on the claimant, rather than the employer's motivation. In the case herein, the claimant quit because she was losing her full-time status and health coverage. It is the claimant's burden to prove that the voluntary quit was for a good cause that would not disqualify her. Iowa Code section 96.6-2. She has satisfied that burden and benefits are allowed.

DECISION:

The unemployment insurance decision dated June 15, 2007, reference 01, is affirmed. The claimant voluntarily quit her employment with good cause attributable to the employer and is qualified to receive unemployment insurance benefits, provided she is otherwise eligible.

Susan D. Ackerman
Administrative Law Judge

Decision Dated and Mailed

sda/pjs