

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

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**TERRY L OSTEN**  
Claimant

**CASSILL MOTORS INC**  
Employer

**APPEAL 20A-UI-12456-SC-T**  
**ADMINISTRATIVE LAW JUDGE  
DECISION**

**OC: 04/05/20**  
**Claimant: Appellant (2)**

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Iowa Code § 96.5(1) – Voluntary Quitting

**STATEMENT OF THE CASE:**

On October 9, 2020, Terry L. Osten (claimant) filed an appeal from the September 30, 2020, reference 03, unemployment insurance decision that denied benefits based upon the determination he voluntarily quit employment with Cassill Motors, Inc. (employer) for personal reasons. The parties were properly notified about the hearing held by telephone on November 6, 2020. The claimant participated, and he was represented by J. Richard Johnson, Attorney. The employer's witness did not answer when called at the phone numbers registered and did not participate. No exhibits were offered into the record.

**ISSUE:**

Did the claimant voluntarily quit employment with good cause attributable to the employer?

**FINDINGS OF FACT:**

Having reviewed all of the evidence in the record, the administrative law judge finds: The claimant was hired as a full-time Body Shop associate. In February 2019, he retired and began working part-time in the same position. The claimant also started receiving Social Security Income (SSI), and he could only work a limited number of hours and remain eligible for his full SSI benefit.

On or about February 7, 2020, Roger Cassill, Owner, told the claimant that he needed to either work full-time or retire completely. The claimant explained that he could not earn over a certain amount and still receive SSI. Cassill reiterated the claimant's options. The claimant elected to discontinue working for the employer.

**REASONING AND CONCLUSIONS OF LAW:**

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

Iowa Code section 96.5(1) provides:

An individual shall be disqualified for benefits, regardless of the source of the individual's wage credits:

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. 871-24.25(24) provides:

Voluntary quit without good cause. In general, a voluntary quit means discontinuing the employment because the employee no longer desires to remain in the relationship of an employee with the employer from whom the employee has separated. The employer has the burden of proving that the claimant is disqualified for benefits pursuant to Iowa Code section 96.5. However, the claimant has the initial burden to produce evidence that the claimant is not disqualified for benefits in cases involving Iowa Code section 96.5, subsection (1), paragraphs "a" through "i," and subsection 10. The following reasons for a voluntary quit shall be presumed to be without good cause attributable to the employer:

...

(24) The claimant left employment to accept retirement when such claimant could have continued working.

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.

The claimant has the burden of proving that the voluntary leaving was for good cause attributable to the employer. Iowa Code § 96.6(2). "Good cause" for leaving employment must be that which is reasonable to the average person, not the overly sensitive individual or the claimant in particular. *Uniweld Products v. Indus. Relations Comm'n*, 277 So.2d 827 (Fla. Dist. Ct. App. 1973). 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).

The claimant has met the burden of proof to establish that the voluntary leaving was for good cause attributable to the employer. The claimant did not quit to retire under Iowa law, as he did not have the option to remain employed in the same manner in which he had been working for approximately a year. He left due to a substantial change in the contract of hire negotiated in

February 2019. As decreasing an employee's hours by fifty percent would be considered a substantial change in the contract of hire, conversely, increasing an employee's hours by the same amount is also a substantial change in the contract of hire. Accordingly, benefits are allowed, provided the claimant is otherwise eligible.

**DECISION:**

The September 30, 2020, reference 03, unemployment insurance decision is reversed. The claimant voluntarily quit the employment with good cause attributable to the employer. Benefits are allowed, provided he is otherwise eligible.



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Stephanie R. Callahan  
Administrative Law Judge

December 1, 2020  
Decision Dated and Mailed

src/scn