

**IN THE IOWA ADMINISTRATIVE HEARINGS DIVISION
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

STACEY W HATHAWAY
Claimant

CNH AMERICA LLC
Employer

APPEAL 24A-UI-02561-DZ-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

**OC: 11/12/23
Claimant: Respondent (4)**

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

STATEMENT OF THE CASE:

CNH America LLC, the employer/appellant,¹ appealed the Iowa Workforce Development (IWD) February 21, 2024 (reference 02) unemployment insurance (UI) decision. IWD found Mr. Hathaway eligible for REGULAR (state) UI benefits because IWD concluded the employer dismissed him from employment on November 17, 2023 for a reason that did not disqualify him from receiving UI benefits. On March 8, 2024, the Iowa Department of Inspections, Appeals, and Licensing (DIAL), UI Appeals Bureau mailed a notice of hearing to the employer and Mr. Hathaway for a telephone hearing scheduled for March 28, 2024.

The administrative law judge held a telephone hearing on March 28, 2024. The employer participated in the hearing through Savanna Pulse, human resources specialist. Mr. Hathaway did not participate in the hearing. The administrative law judge took official notice of the administrative record.

ISSUES:

Did the employer discharge Mr. Hathaway from employment for disqualifying job-related misconduct?

Did IWD overpay Mr. Hathaway UI benefits?

If so, should he repay the benefits?

FINDINGS OF FACT:

Having reviewed the evidence in the record, the administrative law judge finds: Mr. Hathaway began working for the employer in December 2017. He works as a full-time assembler.

The employer's policy provides that the employer will discipline employees as following: verbal warning for accruing 4 attendance points, written warning for accruing 5 points, final written warning for accruing 6 points, and suspension for accounting 7 points. The employer calculates points using a 12-month rolling calendar.

¹ Appellant is the person or employer who appealed.

The employer suspended Mr. Hathaway for 5 days, unpaid, because he did not attend work and did not call in on November 6, 2023. Mr. Hathaway served his suspension on Friday, November 17, 2023, and Tuesday, November 28, 2023 through Friday, December 1, 2023. Mr. Hathaway returned to work in his same job after the suspension. Before the suspension, the employer had given Mr. Hathaway written warnings on August 14, September 5, and October 4 in 2023, and a final written warning on November 13.

IWD paid Mr. Hathaway REGULAR (state) UI benefits in the total gross amount of \$527.00 for the week of November 26, 2023 – December 2, 2023. IWD did not pay Mr. Hathaway any UI benefits for the week of November 12-18, 2023. The employer did not participate in the fact-finding interview through no fault of its own.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow, the administrative law judge concludes 1) the employer suspended Mr. Hathaway November 17, 2023, and November 28, 2023 through December 1, 2023 for disqualifying, job-related misconduct, 2) IWD overpaid Mr. Hathaway UI benefits of \$527.00, but 3) Mr. Hathaway is not required to repay these benefits back to IWD.

The Employer Suspended Mr. Hathaway For Disqualifying, Job-Related Misconduct

Iowa Code section 96.5(2)(a) and (d) provide, in relevant part:

An individual shall be disqualified for benefits:

2. Discharge for misconduct. If the department finds that the individual has been discharged for misconduct in connection with the individual's employment:

a. The individual shall be disqualified for benefits until the individual has worked in and has been paid wages for insured work equal to ten times the individual's weekly benefit amount, provided the individual is otherwise eligible.

d. For the purposes of this subsection, "misconduct" means a deliberate act or omission by an employee that constitutes a material breach of the duties and obligations arising out of the employee's contract of employment. Misconduct is limited to conduct evincing such willful or wanton disregard of an employer's interest as is found in deliberate violation or disregard of standards of behavior which the employer has the right to expect of employees, or in carelessness or negligence of such degree of recurrence as to manifest equal culpability, wrongful intent or evil design, or to show an intentional and substantial disregard of the employer's interests or of the employee's duties and obligations to the employer. Misconduct by an individual includes but is not limited to all of the following:

...

(9) Excessive unexcused tardiness or absenteeism.

Iowa Admin. Code r. 871-24.32(9) provides:

Discharge for misconduct.

(9) Suspension or disciplinary layoff. Whenever a claim is filed and the reason for the claimant's unemployment is the result of a disciplinary layoff or suspension imposed by the employer, the claimant is considered as discharged, and the issue of misconduct must be resolved. Alleged misconduct or dishonesty without corroboration is not sufficient to result in disqualification.

This rule is intended to implement Iowa Code section 96.5 and Supreme Court of Iowa decision, *Sheryl A. Cosper vs. Iowa Department of Job Service and Blue Cross of Iowa*.

Excessive absenteeism is not considered misconduct unless the absences are also unexcused. The term "absenteeism" also encompasses conduct that is more accurately referred to as "tardiness." An absence is an extended tardiness; and an incident of tardiness is a limited absence. The requirements for a finding of misconduct based on absences are twofold. First, the absences must be excessive.² The determination of whether absenteeism is excessive necessarily requires consideration of past acts and warnings.³ Second, the absences must be unexcused.⁴ The requirement of "unexcused" can be satisfied in two ways. An absence can be unexcused either because it was not for "reasonable grounds," or because it was not "properly reported."⁵

An employer's no-fault absenteeism policy or point system does not, on its own, decide the issue of qualification for UI benefits. Absences due to properly reported illness cannot constitute work-connected misconduct since they are not voluntary. This is true even if the employer was fully within its rights to assess points or impose discipline up to or including discharge for the absence under its attendance policy.⁶ Medical documentation is not essential to a determination that an absence due to illness should be treated as excused.⁷ Absences related to other issues such as transportation, lack of childcare, and oversleeping are not considered excused.⁸ When a claimant does not provide an excuse for an absence the absences is deemed unexcused.⁹

The employer has the burden of proof in establishing disqualifying job misconduct.¹⁰ The issue is not whether the employer made a correct decision in separating the claimant from employment, but whether the claimant is entitled to unemployment insurance benefits.¹¹ Misconduct must be "substantial" to warrant a denial of job insurance benefits.¹²

The employer may establish reasonable work rules and expect employees to abide by them. The employer has presented credible evidence that Mr. Hathaway continued to violate the employer's attendance policy after the employer warned him multiple times. Despite the warnings, Mr. Hathaway continued to engage in similar behavior. This is disqualifying misconduct. Mr. Hathaway is not eligible for UI benefits during the suspension.

² *Sallis v. Emp't Appeal Bd.*, 437 N.W.2d 895 (Iowa 1989).

³ *Higgins v. Iowa Dep't of Job Serv.*, 350 N.W.2d 187, 192 (Iowa 1984).

⁴ *Cosper v. Iowa Dep't of Job Serv.*, 321 N.W.2d 6, 10 (Iowa 1982).

⁵ *Higgins*, 350 N.W.2d at 191; *Cosper*, 321 N.W.2d at 10.

⁶ Iowa Admin. Code r. 871-24.32(7); *Cosper*, 321 N.W.2d at 9; *Gaborit v. Emp't Appeal Bd.*, 734 N.W.2d 554 (Iowa Ct. App. 2007).

⁷ See *Gaborit*, 734 N.W.2d at 555-558.

⁸ *Higgins*, 350 N.W.2d at 191.

⁹ *Id.*; see also *Spragg v. Becker-Underwood, Inc.*, 672 N.W.2d 333, 2003 WL 22339237 (Iowa App. 2003).

¹⁰ *Cosper v. Iowa Dep't of Job Serv.*, 321 N.W.2d 6 (Iowa 1982).

¹¹ *Infante v. Iowa Dep't of Job Serv.*, 364 N.W.2d 262 (Iowa Ct. App. 1984).

¹² *Newman v. Iowa Dep't of Job Serv.*, 351 N.W.2d 806 (Iowa Ct. App. 1984).

IWD Overpaid Mr. Hathaway UI Benefits of \$527.00,
But He Is Not Required to Repay These Benefits Back to IWD

Iowa Code §96.3(7) provides, in relevant part:

7. Recovery of overpayment of benefits.

a. If an individual receives benefits for which the individual is subsequently determined to be ineligible, even though the individual acts in good faith and is not otherwise at fault, the benefits shall be recovered. The department in its discretion may recover the overpayment of benefits either by having a sum equal to the overpayment deducted from any future benefits payable to the individual or by having the individual pay to the department a sum equal to the overpayment.

b. (1) (a) If the department determines that an overpayment has been made, the charge for the overpayment against the employer's account shall be removed and the account shall be credited with an amount equal to the overpayment from the unemployment compensation trust fund and this credit shall include both contributory and reimbursable employers, notwithstanding section 96.8, subsection 5. The employer shall not be relieved of charges if benefits are paid because the employer or an agent of the employer failed to respond timely or adequately to the department's request for information relating to the payment of benefits. This prohibition against relief of charges shall apply to both contributory and reimbursable employers. If the department determines that an employer's failure to respond timely or adequately was due to insufficient notification from the department, the employer's account shall not be charged for the overpayment.

(b) However, provided the benefits were not received as the result of fraud or willful misrepresentation by the individual, benefits shall not be recovered from an individual if the employer did not participate in the initial determination to award benefits pursuant to section 96.6, subsection 2, and an overpayment occurred because of a subsequent reversal on appeal regarding the issue of the individual's separation from employment.

Iowa Admin. Code r. 871-24.10 provides, in relevant part:

Employer and employer representative participation in fact-finding interviews.

(1) "Participate," as the term is used for employers in the context of the initial determination to award benefits pursuant to Iowa Code section 96.6, subsection 2, means submitting detailed factual information of the quantity and quality that if unrebutted would be sufficient to result in a decision favorable to the employer. The most effective means to participate is to provide live testimony at the interview from a witness with firsthand knowledge of the events leading to the separation. If no live testimony is provided, the employer must provide the name and telephone number of an employee with firsthand information who may be contacted, if necessary, for rebuttal. A party may also participate by providing detailed written statements or documents that provide detailed factual information of the events leading to separation. At a minimum, the information provided by the employer or the employer's representative must identify the dates and

particular circumstances of the incident or incidents, including, in the case of discharge, the act or omissions of the claimant or, in the event of a voluntary separation, the stated reason for the quit. The specific rule or policy must be submitted if the claimant was discharged for violating such rule or policy. In the case of discharge for attendance violations, the information must include the circumstances of all incidents the employer or the employer's representative contends meet the definition of unexcused absences as set forth in 871—subrule 24.32(7). On the other hand, written or oral statements or general conclusions without supporting detailed factual information and information submitted after the fact-finding decision has been issued are not considered participation within the meaning of the statute.

Since Mr. Hathaway is not eligible for UI benefits during the suspension, he is not eligible for the UI benefits IWD sent him during the suspension. IWD overpaid Mr. Hathaway REGULAR (state) UI benefits in the total gross amount of \$527.00 for the week of November 26, 2023 – December 2, 2023.

Since the employer did not participate in the fact-finding interview, Mr. Hathaway is not required to repay these benefits back to IWD. Since the employer's non-participation in the interview was not the employer's fault, the employer's account should be relieved of charges.

DECISION:

The February 21, 2024 (reference 02) UI decision is MODIFIED IN FAVOR OF THE APPELLANT, THE EMPLOYER. The employer suspended Mr. Hathaway for disqualifying, job-related misconduct. Mr. Hathaway is not eligible for UI benefits November 28, 2023 – December 1, 2023.

IWD overpaid Mr. Hathaway REGULAR (state) UI benefits in the gross amount of \$527.00 for the week of November 26, 2023 – December 2, 2023. Since the employer did not participate in the fact-finding interview, Mr. Hathaway is not required to repay these UI benefits back to IWD.

Since the employer's non-participation in the fact-finding interview was not the employer's fault, the employer's account must be relieved of charges.



Daniel Zeno
Administrative Law Judge

April 1, 2024
Decision Dated and Mailed

APPEAL RIGHTS. If you disagree with this decision, you or any interested party may:

1. Appeal to the Employment Appeal Board within fifteen (15) days of the date under the judge's signature by submitting a written appeal via mail, fax, or online to:

**Employment Appeal Board
6200 Park Avenue Suite 100
Des Moines, Iowa 50321
Fax: (515)281-7191
Online: eab.iowa.gov**

The appeal period will be extended to the next business day if the last day to appeal falls on a weekend or a legal holiday.

AN APPEAL TO THE BOARD SHALL STATE CLEARLY:

- 1) The name, address, and social security number of the claimant.
- 2) A reference to the decision from which the appeal is taken.
- 3) That an appeal from such decision is being made and such appeal is signed.
- 4) The grounds upon which such appeal is based.

An Employment Appeal Board decision is final agency action. If a party disagrees with the Employment Appeal Board decision, they may then file a petition for judicial review in district court.

2. If no one files an appeal of the judge's decision with the Employment Appeal Board within fifteen (15) days, the decision becomes final agency action, and you have the option to file a petition for judicial review in District Court within thirty (30) days after the decision becomes final. Additional information on how to file a petition can be found at Iowa Code §17A.19, which is online at <https://www.legis.iowa.gov/docs/code/17A.19.pdf> or by contacting the District Court Clerk of Court <https://www.iowacourts.gov/iowa-courts/court-directory/>.

Note to Parties: YOU MAY REPRESENT yourself in the appeal or obtain a lawyer or other interested party to do so provided there is no expense to Workforce Development. If you wish to be represented by a lawyer, you may obtain the services of either a private attorney or one whose services are paid for with public funds.

Note to Claimant: It is important that you file your weekly claim as directed, while this appeal is pending, to protect your continuing right to benefits.

SERVICE INFORMATION:

A true and correct copy of this decision was mailed to each of the parties listed.

DERECHOS DE APELACIÓN. Si no está de acuerdo con la decisión, usted o cualquier parte interesada puede:

1. Apelar a la Junta de Apelaciones de Empleo dentro de los quince (15) días de la fecha bajo la firma del juez presentando una apelación por escrito por correo, fax o en línea a:

**Employment Appeal Board
6200 Park Avenue Suite 100
Des Moines, Iowa 50321
Fax: (515)281-7191
En línea: eab.iowa.gov**

El período de apelación se extenderá hasta el siguiente día hábil si el último día para apelar cae en fin de semana o día feriado legal.

UNA APELACIÓN A LA JUNTA DEBE ESTABLECER CLARAMENTE:

- 1) El nombre, dirección y número de seguro social del reclamante.
- 2) Una referencia a la decisión de la que se toma la apelación.
- 3) Que se interponga recurso de apelación contra tal decisión y se firme dicho recurso.
- 4) Los fundamentos en que se funda dicho recurso.

Una decisión de la Junta de Apelaciones de Empleo es una acción final de la agencia. Si una de las partes no está de acuerdo con la decisión de la Junta de Apelación de Empleo, puede presentar una petición de revisión judicial en el tribunal de distrito.

2. Si nadie presenta una apelación de la decisión del juez ante la Junta de Apelaciones Laborales dentro de los quince (15) días, la decisión se convierte en acción final de la agencia y usted tiene la opción de presentar una petición de revisión judicial en el Tribunal de Distrito dentro de los treinta (30) días después de que la decisión adquiera firmeza. Puede encontrar información adicional sobre cómo presentar una petición en el Código de Iowa §17A.19, que se encuentra en línea en <https://www.legis.iowa.gov/docs/code/17A.19.pdf> o comunicándose con el Tribunal de Distrito Secretario del tribunal <https://www.iowacourts.gov/iowa-courts/court-directory/>.

Nota para las partes: USTED PUEDE REPRESENTARSE en la apelación u obtener un abogado u otra parte interesada para que lo haga, siempre que no haya gastos para Workforce Development. Si desea ser representado por un abogado, puede obtener los servicios de un abogado privado o uno cuyos servicios se paguen con fondos públicos.

Nota para el reclamante: es importante que presente su reclamo semanal según las instrucciones, mientras esta apelación está pendiente, para proteger su derecho continuo a los beneficios.

SERVICIO DE INFORMACIÓN:

Se envió por correo una copia fiel y correcta de esta decisión a cada una de las partes enumeradas.