

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**MELISSA A SCHUTT**  
Claimant

**APPEAL NO. 12A-UI-14512-M**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**SAGETREE INC  
THE SAGE TREE**  
Employer

**OC: 11/11/12  
Claimant: Respondent (1)**

Section 96.5-1 – Voluntary Quit  
Section 96.3-7 – Recovery of Overpayment of Benefits

**STATEMENT OF THE CASE:**

Employer filed an appeal from a decision of a representative dated December 6, 2012, reference 01, which held claimant eligible for unemployment insurance benefits. After due notice, a hearing was scheduled for and held on February 25, 2013. Claimant participated and was represented by Valerie Cramer, Attorney at Law. Employer participated by Jim Tuttle, Owner; Lucy Tuttle, Owner; Andrew Wengert, General Manager; and Amanda Caffrey, Manager. Exhibits One through Nine were admitted into evidence.

**ISSUES:**

The issues in this matter are whether the claimant quit for good cause attributable to the employer and whether claimant is overpaid unemployment insurance benefits.

**FINDINGS OF FACT:**

The administrative law judge, having heard the testimony and considered all of the evidence in the record, finds: Claimant last worked for employer on November 13, 2012. Claimant worked part time at about 25 to 30 hours a week. Employer dropped claimant's work hours to about eight hours per week. Employer cut the hours as a disciplinary suspension. Claimant's work ethic was not up to the employer's high standards. Claimant quit because she could not take such a pay cut.

**REASONING AND CONCLUSIONS OF LAW:**

The administrative law judge holds that the evidence has established that claimant voluntarily quit for good cause attributable to the employer when claimant terminated the employment relationship because of a significant change in work hours. Since employer unilaterally changed the work hours this is a quit for good cause attributable to employer. A disciplinary reduction in work hours is not authorized under unemployment law. While employer acted within its rights to change the hours such does not apply to unemployment law. There is no rule or statute that

authorizes a disciplinary reduction in work hours. This is a separation for good cause attributable to employer due to a significant reduction in work hours. Benefits allowed.

Iowa Code section 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.

871 IAC 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.

**DECISION:**

The decision of the representative dated December 6, 2012, reference 01, is affirmed. Unemployment insurance benefits are allowed provided, claimant is otherwise eligible.

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Marlon Mormann  
Administrative Law Judge

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Decision Dated and Mailed

mdm/tll