

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**RONALD A HACKER**  
Claimant

**APPEAL NO. 07A-UI-02479-CT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**ACHESON BODY SERVICE LTD**  
Employer

**OC: 10/01/06 R: 02**  
**Claimant: Respondent (1)**

Section 96.5(1) – Voluntary Quit

**STATEMENT OF THE CASE:**

Acheson Body Service. Ltd. (Acheson) filed an appeal from a representative's decision dated March 1, 2007, reference 02, which held that no disqualification would be imposed regarding Ronald Hacker's separation from employment. After due notice was issued, a hearing was held by telephone on March 28, 2007. Mr. Hacker participated personally. The employer participated by Sam Acheson, President; Mark Ramsey, Body Shop Manager; and Janet Freyermuth, Bookkeeper.

**ISSUE:**

At issue in this matter is whether Mr. Hacker was separated from employment for any disqualifying reason.

**FINDINGS OF FACT:**

Having heard the testimony of the witnesses and having reviewed all of the evidence in the record, the administrative law judge finds: Mr. Hacker was employed by Acheson from November 27, 2006 until February 1, 2007. He was a full-time auto body repairman. He was hired on a trial basis and was to be paid \$16.00 per hour. At the time of hire, Mr. Hacker signed an agreement containing a provision that the employer reserved the right to change the terms of the agreement at any time during the employment.

The employer was dissatisfied with the amount of time it took Mr. Hacker to complete some jobs. Because of the quality of his work, some of it had to be redone. The employer did not feel his work was cost-effective. On January 26, the employer advised Mr. Hacker that the basis for determining his pay would change effective February 5. At that point, the employer would begin paying him on a commission only basis. The employer felt that, if he applied himself, he could earn commissions that would equal or exceed the \$16.00 per hour he had been earning. Mr. Hacker advised the employer that he did not think he could make it on commissions only. Therefore, he left the employment after completing work in progress. The change in his pay structure was the sole reason for the separation.

**REASONING AND CONCLUSIONS OF LAW:**

An individual who voluntarily quits employment is disqualified from receiving job insurance benefits unless the quit was for good cause attributable to the employer. Iowa Code section 96.5(1). Mr. Hacker quit Acheson because of a change in the terms of his employment. The administrative law judge appreciates that he signed an agreement acknowledging the employer's right to change the terms of the agreement. The agreement did not constitute a waiver of Mr. Hacker's right to claim job insurance benefits if the changes unilaterally made by the employer constituted good cause attributable to the employer for quitting under the Iowa Employment Security law. The agreement was merely an acknowledgement of the right any employer would have, absent a collective bargaining agreement or other contractual obligation, to change the terms of employment. However, an employer's exercise of that right does not preclude a finding that the changes provide a basis for an allowance of job insurance benefits.

Mr. Hacker was hired with the understanding that he would be paid \$16.00 per hour. The change made by Acheson would result in uncertainty regarding his pay from week to week. Whether his earnings would have increased is speculative. There was the possibility that his earnings would have decreased. The change from a guaranteed hourly wage to commission-based pay constituted a substantial change in the terms and conditions of Mr. Hacker's employment. As such, he had good cause attributable to the employer for quitting. See 871 IAC 24.26(1). Accordingly, benefits are allowed.

**DECISION:**

The representative's decision dated March 1, 2007, reference 02, is hereby affirmed. Mr. Hacker voluntarily quit his employment for good cause attributable to the employer. Benefits are allowed, provided he satisfies all other conditions of eligibility.

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Carolyn F. Coleman  
Administrative Law Judge

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Decision Dated and Mailed

cfc/pjs