

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

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

KAY A PEACOCK
Claimant

APPEAL NO. 16A-UI-06429-S1-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

KDH HOME HEALTH INC
Employer

OC: 05/15/16
Claimant: Respondent (1)

Section 96.5-1 – Voluntary Quit
871 IAC 24.26(1) – Voluntary Leaving – Change in Contract of Hire
Section 96.3-7 – Overpayment

STATEMENT OF THE CASE:

KDH Home Health (employer) appealed a representative's June 3, 2016 (reference 01) decision that concluded Kay Peacock (claimant) was eligible to receive unemployment insurance benefits. After hearing notices were mailed to the parties' last-known addresses of record, a telephone hearing was scheduled for June 24, 2016. The claimant participated personally. The employer participated by Karen Huber, Franchise Owner, and Sherry Peterson, Office Manager. Exhibit D-1 was received into evidence.

ISSUE:

The issue is whether the claimant was separated from employment for any disqualifying reason.

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 hired on September 9, 2009, and at the end of her employment she was working as a full-time client care coordinator. The claimant was salaried. As a full-time employee she earned vacation time, personal time, and sick days. Part-time employees are hourly and do not earn those benefits.

The claimant worked in the employer's Benton County office with one other person, the manager. On May 11, 2016, the claimant met with the franchise owner and her father, a board member and investor. The employer told the claimant that the manager had been terminated. The employer explained that changes were being made to the company because the business was losing money. The employer told the claimant she would become a part-time employee working in the Benton County office effective May 16, 2016. Other changes were discussed with the claimant but the employer did not tell the claimant what her hourly wage would be or what hours she would work. The employer was considering offering the claimant other hours in another location or other hours in marketing but did not verbalize those thoughts to the claimant. The employer told the claimant to talk over her decision with her family. The employer wanted the claimant's decision the following day.

On May 12, 2016, the claimant called the employer and resigned. She quit due to the change in status from full time to part time. On May 13, 2016, the claimant met with the employer and gave her written resignation.

The claimant filed for unemployment insurance benefits with an effective date of May 15, 2016. The employer participated personally at the fact-finding interview on June 2, 2016, by Karen Huber.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow the administrative law judge concludes the claimant voluntarily quit work with good cause attributable to the employer

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.

A 25 percent to 35 percent reduction in working hours is, as a matter of law, a substantial change in the contract of hire. A substantial pay reduction creates good cause attributable to the employer for a resignation. Dehmel v. Employment Appeal Board, 433 N.W.2d 700 (Iowa 1988). The claimant quit work because the employer changed the hours she worked. A change in one's hours or shift is a substantial change in one's contract for hire. An employee must give prior notice to the employer before quitting due to a change in the contract of hire. Cobb v. Employment Appeal Board, 506 N.W.2d 445 (Iowa 1993). In order to show good cause for leaving employment based on a change in the contract for hire, an employee is required to take the reasonable step of informing the employer about the change that the employee believes are substantial and that she intends to quit employment unless the conditions are corrected. The employer must be allowed a chance to correct those conditions before the employee takes the drastic step of quitting employment. Cobb v. Employment Appeal Board, 506 N.W.2d 445 (Iowa 1993). The employer told the claimant it wanted her answer the following day. The claimant complied with the employer's notice requirement. The employer substantially changed the claimant's contract for hire by changing her benefits, her salary and her status. Therefore, the separation was not voluntary. The claimant is qualified to receive unemployment insurance benefits provided she is otherwise eligible.

DECISION:

The representative's June 3, 2016 (reference 01) decision is affirmed. The claimant voluntarily quit with good cause attributable to the employer. The claimant is eligible to receive unemployment insurance benefits.

Beth A. Scheetz
Administrative Law Judge

Decision Dated and Mailed

bas/can