

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**MARIA C ALFARO**  
Claimant

**APPEAL NO. 19A-UI-07610-B2T**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**SPARBOE FARMS INC**  
Employer

**OC: 09/08/19**  
**Claimant: Appellant (2)**

Iowa Code § 96.3-5 – Duration of Benefits (Employer Going Out of Business/Re-computation of Wage Credits)

**STATEMENT OF THE CASE:**

Claimant filed an appeal from a decision of a representative dated September 24, 2019, reference 01, which held claimant ineligible for business closing benefits pursuant to Iowa Code § 96.3-5 insurance benefits. After due notice, a hearing was scheduled for and held on October 25, 2019. Claimant participated personally. Employer participated by Nita Nurmi. Interpretive services were provided by CTS Language Link.

**ISSUE:**

The issue presented in this appeal is whether the claimant was laid off due to the employer going out of business and, therefore, is entitled to have the wage credits re-computed.

**FINDINGS OF FACT:**

The administrative law judge, having heard the testimony and considered all of the evidence in the record, finds: Claimant was laid off by employer on September 12, 2019 because employer was taking a temporary break at the plant where claimant worked. Employer has since decided that the plant will not be reopening.

Claimant was offered another job at a plant approximately a half hour away from the plant where she'd been working for the previous 18 years. Claimant was afraid to drive in inclement weather and did not accept the job offer.

**REASONING AND CONCLUSIONS OF LAW:**

The administrative law judge holds that the claimant was laid off as a result of the employer's plant near where she lived going out of business and, therefore, is entitled to a re-computation of wage credits.

Iowa Code § 96.3(5)a provides:

a. Duration of benefits. The maximum total amount of benefits payable to an eligible individual during a benefit year shall not exceed the total of the wage credits accrued to the individual's account during the individual's base period, or twenty-six times the individual's weekly benefit amount, whichever is the lesser. The director shall maintain a separate account for each individual who earns wages in insured work. The director shall compute wage credits for each individual by crediting the individual's account with one-third of the wages for insured work paid to the individual during the individual's base period. However, the director shall recompute wage credits for an individual who is laid off due to the individual's employer going out of business at the factory, establishment, or other premises at which the individual was last employed, by crediting the individual's account with one-half, instead of one-third, of the wages for insured work paid to the individual during the individual's base period. Benefits paid to an eligible individual shall be charged against the base period wage credits in the individual's account which have not been previously charged, in the inverse chronological order as the wages on which the wage credits are based were paid. However, if the state "off" indicator is in effect and if the individual is laid off due to the individual's employer going out of business at the factory, establishment, or other premises at which the individual was last employed, the maximum benefits payable shall be extended to thirty-nine times the individual's weekly benefit amount, but not to exceed the total of the wage credits accrued to the individual's account.

**DECISION:**

The decision of the representative dated September 24, 2019, reference 01 is reversed. The claimant, is entitled to have the unemployment insurance claim re-determined as a business closing, including a re-computation of wage credits. The claimant's request for such re-determination and re-computation is granted.

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Blair A. Bennett  
Administrative Law Judge

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Decision Dated and Mailed

bab/scn