

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

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

**STEPHANIE A MORENO**  
Claimant

**APPEAL NO. 18A-UI-06496-JTT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**MINUTEMAN INC**  
Employer

**OC: 05/13/18**  
**Claimant: Respondent (1)**

Iowa Code Section 96.5(1) – Voluntary Quit

**STATEMENT OF THE CASE:**

The employer filed a timely appeal from the June 6, 2018, reference 02, decision that allowed benefits to the claimant provided she was otherwise eligible and that held the employer's account could be charged for benefits, based on the Benefits Bureau deputy's conclusion that the claimant voluntarily quit on May 14, 2018 for good cause attributable to the employer. After due notice was issued, a hearing was held on June 28, 2018. Claimant Stephanie Moreno participated. Jonathan Bizios represented the employer. The administrative law judge took official notice of the Agency's record of benefits disbursed to the claimant and received Exhibits 1 through 7 and A through I into evidence.

**ISSUES:**

Whether the claimant's voluntary quit was for good cause attributable to the employer.

Whether the employer's account may be charged.

**FINDINGS OF FACT:**

Having reviewed all of the evidence in the record, the administrative law judge finds: Stephanie Moreno was employed by Minuteman, Inc. as a full-time salesperson from March 26, 2018 until May 14, 2018, when she voluntarily quit in response to the employer's repeated failure to pay her the appropriate wages she had earned for work she had performed for the employer. The employer's failure to properly compensate Ms. Moreno for her services continued at the time Ms. Moreno quit the employment and prompted Ms. Moreno to file a wage claim against Minuteman, Inc. with Iowa Workforce Development Division of Labor. Jonathan Bizios, Manager, blames the ongoing compensation issues on the business owner's delayed response and on the third-party accountant's ineptitude. However, Mr. Bizios knowingly and intentionally failed to compensate Ms. Moreno for sales work and clean up Ms. Moreno performed with his knowledge on April 28, 2018. Ms. Moreno is a single parent. The employer's failure to properly and promptly compensate Ms. Moreno for her services had a substantial negative impact on Ms. Moreno's personal finances. In the end, Ms. Moreno concluded she could no longer afford to work for the employer.

## REASONING AND CONCLUSIONS OF LAW:

Iowa Code section 96.5(1) provides:

An individual shall be disqualified for benefits, regardless of the source of the individual's wage credits:

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.

In general, a voluntary quit requires evidence of an intention to sever the employment relationship and an overt act carrying out that intention. See *Local Lodge #1426 v. Wilson Trailer*, 289 N.W.2d 698, 612 (Iowa 1980) and *Peck v. EAB*, 492 N.W.2d 438 (Iowa App. 1992). In general, a voluntary quit means discontinuing the employment because the employee no longer desires to remain in the relationship of an employee with the employer. See 871 IAC 24.25.

Quits due to intolerable or detrimental working conditions are deemed to be for good cause attributable to the employer. See 871 IAC 24.26(4). The test is whether a reasonable person would have quit under the circumstances. See *Aalbers v. Iowa Department of Job Service*, 431 N.W.2d 330 (Iowa 1988) and *O'Brien v. Employment Appeal Bd.*, 494 N.W.2d 660 (1993). Aside from quits based on medical reasons, prior notification of the employer before a resignation for intolerable or detrimental working conditions is not required. See *Hy-Vee v. EAB*, 710 N.W.2d (Iowa 2005).

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.

"Change in the contract of hire" means a substantial change in the terms or conditions of employment. See *Wiese v. Iowa Dept. of Job Service*, 389 N.W.2d 676, 679 (Iowa 1986). Generally, a substantial reduction in hours or pay will give an employee good cause for quitting. See *Dehmel v. Employment Appeal Board*, 433 N.W.2d 700 (Iowa 1988). In analyzing such cases, the Iowa Courts look at the impact on the claimant, rather than the employer's motivation. *Id.* An employee acquiesces in a change in the conditions of employment if he or she does not resign in a timely manner. See *Olson v. Employment Appeal Board*, 460 N.W.2d 865 (Iowa Ct. App. 1990).

The evidence in the record establishes a voluntary quit on May 14, 2018 that was for good cause attributable to the employer. Ms. Moreno reasonably expected to be compensated in a timely manner and in the proper amount for the work she performed on behalf of the employer. The employer's failure to compensate Ms. Moreno in a timely manner and in the proper amount for services rendered had a substantial and detrimental impact on Ms. Moreno and constituted a

substantial change in the contract of hire. A reasonable person in Ms. Moreno's situation would have quit under the circumstances. Ms. Moreno is eligible for benefits, provided she is otherwise eligible. The employer's account may be charged for benefits.

**DECISION:**

The June 6, 2018, reference 02, decision is affirmed. The claimant voluntarily quit the employment on May 14, 2018 for good cause attributable to the employer. The claimant is eligible for benefits, provided she is otherwise eligible. The employer's account may be charged for benefits.

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James E. Timberland  
Administrative Law Judge

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Decision Dated and Mailed

jet/rvs