

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

KYLE GAYMAN
Claimant

APPEAL 19A-UI-09926-S1-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

ALL AROUND TOWN OUTDOOR
Employer

**OC: 11/17/19
Claimant: Respondent (1)**

Iowa Code § 96.5-1 - Voluntary Quit
871 IAC 24.26(1) – Voluntary Leaving – Change in Contract of Hire
Iowa Code § 96.3-7 – Overpayment
871 IAC 24.10 – Employer Participation in the Fact-Finding Interview

STATEMENT OF THE CASE:

All Around Town Outdoor (employer) appealed a representative's December 6, 2019, decision (reference 01) that concluded Kyle Gayman (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 held on January 13, 2020. The claimant participated personally. The employer participated by Melissa Husman, Office Manager. The administrative law judge took official notice of the administrative file.

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 June 25, 2018, as a full-time laborer earning \$16.00 per hour. He signed for receipt of the employer's handbook on June 20, 2018. The employer did not issue the claimant any warnings during his employment.

On January 15, 2019, the employer and the claimant signed a contract for the claimant to earn \$40,000.00 per year, plus bonuses, as a full-time account manager and business developer. As part of the contract, the claimant was supposed to obtain an irrigation certification. Also on January 5, 2019, the employer gave the claimant an evaluation. The owner told the claimant to do a better job listening and keep focused on his assignments. The owner also thought the claimant's phone was a distraction.

The claimant's irrigation certification was delayed because the employer needed his help with snow removal, billing, and helping mowing crews. He completed one chapter in March 2019, and planned to finish when he had time.

At some point, the owner asked the claimant to obtain a book and read it. The claimant had trouble finding and ordering the book. Amazon could not ship the book immediately and the claimant was on vacation.

In late October 2019, the claimant received a call from the crew stating it did not have access to equipment and an employee did not appear for work. The claimant went to address the situation and attempted to contact the owner. The owner did not answer his calls. The claimant notified someone who could alert the owner. He was slightly late to a meeting.

On October 28, 2019, the owner asked to meet the claimant at a coffee shop. At the meeting the owner told the claimant he was being demoted for not finishing the book and not appearing for a meeting on time. The claimant had to let the owner know that day whether he wanted to quit or continue working as a laborer for \$17.00 per hour. Forty hours per week were not guaranteed. At the end of the day the claimant told the employer he would not accept the demotion. The claimant offered to continue work at the contracted amount. The employer allowed him to work through November 6, 2019.

The claimant filed for unemployment insurance benefits with an effective date of November 17, 2019. The employer participated personally at the fact finding interview on December 3, 2019, by Jimmy Holt.

REASONING AND CONCLUSIONS OF LAW:

For the reasons that follow the administrative law judge concludes the claimant voluntarily quit 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 substantially changed his rate of pay. The employer substantially changed the claimant's contract for hire and, therefore, the separation was not voluntary. The claimant is qualified to receive unemployment insurance benefits provided he is otherwise eligible.

DECISION:

The representative's December 6, 2019, decision (reference 01) is affirmed. The claimant voluntarily quit with good cause attributable to the employer. Benefits are allowed, provided the claimant is otherwise eligible.

Beth A. Scheetz
Administrative Law Judge

Decision Dated and Mailed

bas/scn