

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

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

PATRICIA A SMOTHERS

Claimant

APPEAL NO: 14A-UI-13204-DT

**ADMINISTRATIVE LAW JUDGE
DECISION**

AREA RESIDENTIAL CARE INC

Employer

OC: 11/30/14

Claimant: Appellant (2)

Section 96.4-3 – Able and Available

Section 96.5-1 – Voluntary Leaving

Section 96.5-2-a – Discharge

STATEMENT OF THE CASE:

Patricia A. Smothers (claimant) appealed a representative's December 12, 2014 (reference 01) decision that concluded she was not qualified to receive unemployment insurance benefits in connection with employment with Area Residential Care, Inc. (employer). After hearing notices were mailed to the parties' last-known addresses of record, a telephone hearing was held on February 11, 2015. The claimant participated in the hearing and was represented by Dirk Hamel, attorney at law. Elly Day appeared on the employer's behalf. Based on the evidence, the arguments of the parties, and the law, the administrative law judge enters the following findings of fact, reasoning and conclusions of law, and decision.

ISSUES:

Was there a disqualifying separation from employment either through a voluntary quit without good cause attributable to the employer or through a discharge for misconduct?

Was the claimant eligible for unemployment insurance benefits by being able and available for work?

FINDINGS OF FACT:

After a prior period of employment with the employer, the claimant most recently began working for the employer on or about April 16, 2011. She worked full time as a night monitor in the employer's group home for adults with disabilities. Her last day of work was the shift from 10:00 a.m. on November 16 to the morning of November 17, 2014.

The claimant was having serious back and hip pain, possibly related to cares she provided to one of the adults for whom she provided care. As a result, she called in an absence for her shift on the night of November 20 and paid a visit to her chiropractor on the morning of November 21. The chiropractor gave her a note advising that an evaluation be done as to whether she was physically able to perform the duties of her job and told her to give it to the employer. The claimant took it to her supervisor, who told the claimant that she would have the claimant's shifts covered and have Day, the director of residential services, contact her as to what would happen.

Day did later speak with the claimant and first asked the claimant if she was going to resign. At that time Day was also aware of the results of a physical fitness examination that the claimant had undergone at the employer's directive in October in which the doctor indicated that the claimant was unable to perform two of her job duties which required lifting up to fifty pounds, performing transfers, and performing an escort restraint. Day first asked the claimant if she was going to resign. The claimant indicated that she did not wish to resign. Day then indicated that the only other possibility would be that the claimant could go on a leave of absence. The claimant did not wish to go on a leave of absence. While the claimant acknowledged that she had pain, she preferred to work with pain than not work. The employer did not put the claimant back on the schedule as it concluded she was unable to perform her duties.

The claimant therefore understood that she was no longer employed and established a claim for unemployment insurance benefits effective November 30, 2014. The claimant has been applying for various positions with other employers that she believes she would physically be able to perform.

REASONING AND CONCLUSIONS OF LAW:

The at least temporary separation from employment occurred on November 21, 2014. Considering the claimant's status as of that date, there are only three provisions in the law which disqualifies claimants from unemployment insurance benefits (until they have been reemployed and have been paid wages for insured work equal to ten times their weekly benefit amount). An individual is subject to such a disqualification if the individual (1) is discharged for work-connected misconduct (Iowa Code § 96.5-2-a); (2) "has left work voluntarily without good cause attributable to the individual's employer." (Iowa Code § 96.5-1); or (3) refuses to accept an offer of suitable work without good cause (Iowa Code § 96.5-3). Here, there is no question of an actual offer of work or refusal of work, so the focus will be on whether there was a disqualifying separation from employment.

Separations are categorized into four separate categories under Iowa law. Rule 871 IAC 24.1(113) defines "separations" as:

All terminations of employment, generally classifiable as layoffs, quits, discharges, or other separations.

a. Layoffs. A layoff is a suspension from pay status initiated by the employer without prejudice to the worker for such reasons as: lack of orders, model changeover, termination of seasonal or temporary employment, inventory-taking, introduction of labor-saving devices, plant breakdown, shortage of materials; including temporarily furloughed employees and employees placed on unpaid vacations.

b. Quits. A quit is a termination of employment initiated by the employee for any reason except mandatory retirement or transfer to another establishment of the same firm, or for service in the armed forces.

c. Discharge. A discharge is a termination of employment initiated by the employer for such reasons as incompetence, violation of rules, dishonesty, laziness, absenteeism, insubordination, failure to pass probationary period.

d. Other separations. Terminations of employment for military duty lasting or expected to last more than 30 calendar days, retirement, permanent disability, and failure to meet the physical standards required.

The representative's decision characterized the claimant's status as a voluntarily quit for medical reasons. The first question considered here is whether Iowa Code § 96.5-1, regarding voluntary quits, applies in this case. Rule 871 IAC 24.25 provides that, 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 from whom the employee has separated. The claimant had been willing to continue working, but the employer was unable or unwilling to find a position meeting the claimant's restrictions in which to keep her employed.

Further, Iowa Code § 96.5-1-d provides an exception that an individual who otherwise could be subject to disqualification is not disqualified:

If the individual left employment because of illness, injury or pregnancy upon the advice of a licensed and practicing physician, and upon knowledge of necessity for absence immediately notified the employer, or the employer consented to the absence, and after recovering from the illness, injury, or pregnancy, when recovery was certified by a licensed and practicing physician, the individual returned to the employer and offered to perform services and the individual's regular work or comparable suitable work was not available.

The Agency rule implementing this section explains that "[r]ecovery is defined as the ability of the claimant to perform all of the duties of the previous employment." Rule 871 IAC 24.26(6)a.

The issue then is whether a person is subject to voluntary quit disqualification under Iowa Code § 96.5-1 under the following circumstances: The person is actively working but then suffers a medical condition that prevents her from performing her normal job duties, and the employer determines it cannot allow the employee to continue in the position. The person has never stated that she is quitting the employment. The employer has not formally discharged the claimant from employment but has stated that the employee's cannot continue in her position given her medical condition.

The problem is that the case law points in several directions and has not addressed this issue head on. Additionally, the statute and rules are unclear as to this issue. For example, in *Wills v. Employment Appeal Board*, 447 N.W.2d 137, 138 (Iowa 1989), the Iowa court considered the case of a pregnant certified nursing assistant (CNA) who went to her employer with a physician's release that limited her to lifting no more than 25 pounds. Wills filed a claim for benefits because the employer would not let her return to work because of its policy of never providing light-duty work. The court ruled that Wills became unemployed involuntarily and was able to work because the weight restriction did not preclude her from performing other jobs available in the labor market. *Id.* at 138. The court characterized the separation from employment as a termination by the employer, but in essence the employer informed the claimant that it did not have any jobs available meeting her restrictions and would not create a job to accommodate her restrictions. The court does not mention Iowa Code § 96.5-1-d at all. Perhaps significantly, the facts do not indicate that the claimant had stopped working at any point, and it was the employer who requested that she go to her doctor to get a release to continue working.

Likewise, in *Sharp v. Employment Appeal Board*, 479 N.W.2d 280 (Iowa 1991), the court reviewed the situation of a meat cutter who was diagnosed with viral hepatitis and was directed by her doctor not to work with food, and so determined she could not return to work with the employer, and she did not. The court favorably quoted *Perkins v. Equal Opportunity Comm'n*, 451 N.W.2d 91 (NE 1990) for the premise that “there may be circumstances in which an employee voluntarily leaves his employment but such leaving should be considered involuntary” for purposes of unemployment insurance eligibility. The court continued that it was “equally clear ... that Sharp could not do the work required because to do so might imperil the employer’s operations. We therefore conclude that for the purposes of [unemployment insurance eligibility], sharp left her employment involuntarily. We adopt the *Perkins* analysis and thus conclude that Sharp was not disqualified for benefits.” Sharp, 479 N.W.2d 280, 283 – 284. This court again does not mention Iowa Code § 96.5-1-d at all.

On the other hand, in *White v. Employment Appeal Board*, 487 N.W.2d 342, 345 (Iowa 1992), the Iowa court considered the case of the truck driver who was off work due to a heart attack for about three months, returned to work for a month, and then was off work for seven months after a second heart attack. He then returned to his place of employment and informed management that his doctor had instructed him that he was unable to drive because of his pacemaker device. The employer told the claimant that there was no available work for him with his restriction. The claimant then applied for unemployment insurance benefits. *Id.* at 343. The facts did not indicate whether the claimant stated that he was quitting employment or intended to permanently sever the employment relationship at any point. In *White*, the court reversed the district court’s decision that the claimant quit work involuntarily due to a physical disability and stated that “unemployment due to illness raises policy considerations which call for a continuation of the rules laid out in cases antedating [the cases relied on by the district court].

Under these rules, if White’s disability was not work-related, the agency properly imposed the disqualification. If, however, the cause of White’s disability was work related, the disqualification was improper.” *Id.* at 345. The court decided that there had been no finding as to whether the disability was or was not work-related and remanded the case. The court does not refer to or distinguish the *Wills* case. It does not explain how the first prong of the voluntary quit disqualification test set forth earlier in its decision—“it must be demonstrated that the individual left work voluntarily”—had been met.

To voluntarily quit means a claimant exercises a voluntary choice between remaining employed or discontinuing the employment relationship, and chooses to leave the employment. To establish a voluntary quit requires that a claimant must intend to terminate employment. *Wills* supra at 138; *Peck v. Employment Appeal Board*, 492 N.W.2d 438, 440 (Iowa App. 1992). It appears that the facts of the *Wills* and *Sharp* cases more closely resemble this case. The claimant was actively employed until the employer concluded that her medical condition prevented her from performing her normal job duties. She did not intend to quit her employment. The employer took the claimant off the work schedule due to the medical reports suggesting that the claimant could not perform her job functions. The action initiating the separation was therefore taken by the employer, and the separation therefore could be considered for unemployment insurance purposes as a discharge, but not for disqualifying misconduct.¹

¹ In order to establish misconduct such as to disqualify a former employee from benefits an employer must establish the employee was responsible for a deliberate act or omission which was a material breach of the duties and obligations owed by the employee to the employer. Rule 871 IAC 24.32(1)a; *Huntoon v. Iowa Department of Job Service*, 275 N.W.2d 445 (Iowa 1979); *Henry v. Iowa Department of Job Service*, 391 N.W.2d 731, 735 (Iowa App. 1986). The conduct must show a willful or wanton

Perhaps this type of separation would meet the definition of “other separations” found in Rule 871 IAC 24.1(113)(d): “Termination of employment for military leave lasting or expecting to last longer than 30 calendar days, retirement, permanent disability, and failure to meet the physical standards required.” The problem with this definition section is that it does not provide guidance on whether such a separation is qualifying or disqualifying. Obviously, if a person terminates employment because she decides to retire, it is a voluntary quit and a disqualification would be imposed. On the other hand, if the employer mandates that an employee retire due to reaching a certain age, the termination is involuntary and initiated by the employer and is a discharge for reasons other than misconduct and no disqualification is imposed. Likewise, if a claimant decides that she no longer meets the physical standards required by the job and leaves employment, it should be treated a quit and benefits will only be awarded if the person meets the exceptions to the voluntary quit statute.

Further guidance is provided by Rule 871 IAC 24.22(2) which provides:

j. Leave of absence. A leave of absence negotiated with the consent of both parties, employer and employee, is deemed a period of voluntary unemployment for the employee—individual, and the individual is considered ineligible for benefits for the period.

(1) If at the end of a period or term of negotiated leave of absence the employer fails to reemploy the individual, the individual is considered laid off and eligible for benefits.

(2) If the employee—individual fails to return at the end of the leave of absence and subsequently become unemployed the individual is considered having voluntarily quit and is therefore ineligible for benefits.

(3) The period or term of a leave of absence may be extended, but only if there is evidence that both parties have voluntarily agreed.

Because the employer concluded that the claimant's medical condition prevented her from performing her normal job duties, the employer declined to find another position for the claimant which suited her restrictions. As such, even though the separation is considered an “Other Separation,” it is ultimately treated as a layoff, because it was initiated by the employer. There is no valid reason to disqualify the claimant from benefits for being laid off for a lack of work upon.

disregard of an employer's interest as is found in deliberate violation or disregard of standards of behavior which the employer has the right to expect of employees, or in carelessness or negligence of such degree of recurrence as to manifest equal culpability, wrongful intent or evil design, or to show an intentional and substantial disregard of the employer's interests or of the employee's duties and obligations to the employer. Rule 871 IAC 24.32(1)a; *Huntoon*, supra; *Henry*, supra. In contrast, mere inefficiency, unsatisfactory conduct, failure in good performance as the result of inability or incapacity, inadvertencies or ordinary negligence in isolated instances, or good faith errors in judgment or discretion are not to be deemed misconduct within the meaning of the statute. Rule 871 IAC 24.32(1)a; *Huntoon*, supra; *Newman v. Iowa Department of Job Service*, 351 N.W.2d 806 (Iowa App. 1984). The employer has not asserted the claimant committed conduct that could be characterized as misconduct under these criteria.

The claimant, therefore, is not subject to the voluntary quit statute since she has not quit. She is not disqualified under the discharge statute since her separation was not due to misconduct. The refusal of suitable work statute does not apply here.

The remaining question is whether the claimant is eligible to receive unemployment insurance benefits after November 21, 2014 by being able and available for work. Iowa Code § 96.4-3. To be found able to work, "[a]n individual must be physically and mentally able to work in some gainful employment, not necessarily in the individual's customary occupation, but which is engaged in by others as a means of livelihood." *Sierra v. Employment Appeal Board*, 508 N.W.2d 719, 721 (Iowa 1993); *Geiken v. Lutheran Home for the Aged*, 468 N.W.2d 223 (Iowa 1991); 871 IAC 24.22(1). The claimant has demonstrated that she is able to work in some gainful employment. Benefits are allowed, if the claimant is otherwise eligible.

DECISION:

The representative's December 12, 2014 (reference 01) decision is reversed. The claimant did not voluntarily quit and was not discharged for misconduct. The claimant is able to work and available for work effective November 30, 2014. The claimant is qualified to receive unemployment insurance benefits, if she is otherwise eligible.

Lynette A. F. Donner
Administrative Law Judge

Decision Dated and Mailed

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