

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

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**Morgan S. Werch**  
Claimant

**APPEAL 20A-UI-05297-BH-T**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**Wise Restaurant Group L**  
Employer

**OC: 04/19/20  
Claimant: Appellant (1)**

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Iowa Code section 96.5(1) – Voluntary Quit  
Iowa Admin. Code r. 871-24.25 – Voluntary Quit Without Good Cause  
Iowa Admin. Code r. 871-24.26 – Voluntary Quit With Good Cause

**STATEMENT OF THE CASE:**

The claimant, Morgan S. Werch, filed an appeal from the June 1, 2020 (reference 01) unemployment insurance decision that denied benefits based upon a finding Werch voluntary quit without good cause attributable to the employer, Wise Restaurant Group L (Wise). The agency properly notified the parties of the hearing. The undersigned presided over a telephone hearing on June 30, 2020. Werch participated and testified. Wise did not participate. Claimant's Exhibit A, which shows Werch's income from her graphic design business, was admitted into evidence.

**ISSUE:**

Was Werch's separation from employment with Wise a layoff, discharge for misconduct, or voluntary quit without good cause attributable to the employer?

**FINDINGS OF FACT:**

Having reviewed all of the evidence in the record, the undersigned finds the following facts.

Werch is friends with the family that owns Wise. She was starting a graphic design business. Wise needed a bartender at Christiano's Pizza. Werch and Wise agreed she would work three days per week as a bartender because both parties had a temporary need. Werch worked as a bartender for Wise from on or about September 19, 2019, through October 23, 2019.

Toward the end of October, Werch's business had begun to take off. Wise had hired additional staff. The needs that led to Wise hiring Werch in September no longer existed. Werch consequently quit her job with Wise.

Werch's graphic design business did well until the COVID-19 outbreak in Iowa. Her clients reduced expenditures due to the pandemic. This included cutting spending on graphic design. COVID-19 reduced Werch's earnings to close to zero in a short period of time during the spring of 2020.

Werch began the application for Pandemic Unemployment Assistance (PUA) under the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act). She did not complete the application because the website directed her to file a claim for regular unemployment insurance benefits under state law due to the fact she had worked in insured employment during the prior eighteen months. Werch filed an initial claim for regular unemployment insurance benefits under state law. She had not completed the PUA application process as of the date of hearing.

### **REASONING AND CONCLUSIONS OF LAW:**

For the reasons that follow, the undersigned concludes Werch's quit from employment with Wise was without good cause attributable to the employer under Iowa law.

Iowa Code section 96.5(1) states an individual is disqualified for benefits if the individual left work voluntarily without good cause attributable to the individual's employer. Iowa Administrative Code rule 24.25 states:

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 employer has the burden of proving that the claimant is disqualified for benefits pursuant to Iowa Code section 96.5. However, the claimant has the initial burden to produce evidence that the claimant is not disqualified for benefits in cases involving Iowa Code section 96.5, subsection (1), paragraphs "a" through "i," and subsection 10.

Under Iowa Administrative Code rule 871-24.25, it is presumed a claimant quit her job without good cause attributable to the employer if the claimant left to seek other employment but did not secure employment.

Here, Werch worked part time at a restaurant owned by a family friend while she got her graphic design business off the ground because the restaurant needed a bartender. The part time job was short-lived because Wise was able to hire additional staff and Werch's graphic design business took off. Werch quit because Wise no longer needed her to work as a bartender and she had a business that was thriving.

Werch had good reasons to quit her job. But those reasons do not constitute good cause attributable to the employer under Iowa law. Werch is therefore not eligible for regular unemployment insurance benefits under state law.

Congress created PUA when it enacted the federal CARES Act in response to the COVID-19 pandemic. The eligibility criteria for PUA are different than those for regular unemployment insurance benefits under state law. This decision does not address whether Werch is eligible for PUA under the federal CARES Act.

**DECISION:**

**Regular Unemployment Insurance Benefits Under State Law**

The June 1, 2020, (reference 01) unemployment insurance decision is affirmed. Werch voluntarily left her employment without good cause attributable to Wise. Benefits are withheld until such time as Werch has worked in and been paid wages for insured work equal to ten times her weekly benefit amount, provided she is otherwise eligible.

**Pandemic Unemployment Assistance (PUA) Under the Federal CARES Act**

Even though Werch is not eligible for regular unemployment insurance benefits under state law, she may be eligible for federally funded unemployment insurance benefits under the CARES Act. Section 2102 of the CARES Act creates a new temporary federal program called Pandemic Unemployment Assistance (PUA) that in general provides up to 39 weeks of unemployment benefits. An individual receiving PUA benefits may also receive the \$600 weekly benefit amount (WBA) under the Federal Pandemic Unemployment Compensation (FPUC) program if he or she is eligible for such compensation for the week claimed. This decision does not address when Mohamed is eligible for PUA. For a decision on such eligibility, Mohamed must apply for PUA, as noted in the instructions provided in the "Note to Claimant" below.



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Ben Humphrey  
Administrative Law Judge

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July 13, 2020  
Decision Dated and Mailed

bh/mh

**NOTE TO CLAIMANT:**

- This decision determines you are not eligible for regular unemployment insurance benefits under state law. If you disagree with this decision you may file an appeal to the Employment Appeal Board by following the instructions on the first page of this decision.
- If you do not qualify for regular unemployment insurance benefits under state law and are currently unemployed for reasons related to COVID-19, you may qualify for Pandemic Unemployment Assistance (PUA). **You will need to apply for PUA to determine your eligibility under the program.** For more information about how to apply for PUA, go to:

<https://www.iowaworkforcedevelopment.gov/pua-information>