

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**NATALIE J NORKS**  
Claimant

**APPEAL NO. 10A-UI-17094-DT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**LIBERTY FOOD SERVICE UNIT 1 LLC**  
Employer

**OC: 10/17/10**

**Claimant: Appellant (2)**

Section 96.5-1 – Voluntary Leaving

**STATEMENT OF THE CASE:**

Natalie J. Norks (claimant) appealed a representative's December 14, 2010 decision (reference 01) that concluded she was not qualified to receive unemployment insurance benefits after a separation from employment with Liberty Food Service Unit 1, L.L.C. (employer). After hearing notices were mailed to the parties' last-known addresses of record, a telephone hearing was held on January 27, 2011. The claimant participated in the hearing. Jeff Sweeden appeared on the employer's behalf and presented testimony from one other witness, Jason Hagarty. 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.

**ISSUE:**

Did the claimant voluntarily quit for a good cause attributable to the employer?

**FINDINGS OF FACT:**

The claimant started working for the employer on March 16, 2009. She began working part-time, at one point working about 30 hours per week, but by the second quarter 2010 she was nearly full-time, averaging 37.72 hours per week during that quarter, working as a line server at the employer's Denison, Iowa, business client's cafeteria. Her last day of work was October 19, 2010. She verbally resigned that day, and turned in her written resignation and her uniforms on October 21. Her reason for quitting was the employer's announced intention to reduce her hours to about 20 hours per week, effective October 20. The primary reason for the reduction of hours was the slowdown in the employer's business after moving to another cafeteria site. The duration of time the claimant's hours might be reduced was undetermined and indefinite.

**REASONING AND CONCLUSIONS OF LAW:**

If the claimant voluntarily quit her employment, she is not eligible for unemployment insurance benefits unless it was for good cause attributable to the employer. Iowa Code § 96.5-1. A substantial change in contract of hire is recognized as grounds that are good cause for quitting that is attributable to the employer. 871 IAC 24.26(1). A "contract of hire" is merely the most

recent terms of employment agreed to between an employee and an employer, either explicitly or implicitly.

“Good cause attributable to the employer” does not require fault, negligence, wrongdoing or bad faith by the employer, but may be attributable to the employment itself. Dehmel v. Employment Appeal Board, 433 N.W.2d 700 (Iowa 1988); Raffety v. Iowa Employment Security Commission, 76 N.W.2d 787 (Iowa 1956). In Dehmel the Iowa court ruled that a 25 percent to 35 percent reduction in wage was, as a matter of law, a substantial change in the contract of hire. The Court in Dehmel cited cases from other jurisdictions that had held wage reductions ranging from 15 percent to 26 percent were substantial. Id. at 703. Based on the reasoning in Dehmel, the claimant’s reduction in hours, and comparative reduction in pay, of at least 33 percent (20 hours down from 30 hours), to as much as 47 percent (20 hours down from 37.72 hours) is substantial for purposes of unemployment insurance benefits. While the employer may have had a good business reason for reducing her hours, the change in the claimant’s hours and pay that was being implemented was a substantial change in the claimant’s contract of hire. Dehmel, supra. Benefits are allowed.

**DECISION:**

The representative’s December 14, 2010 decision (reference 01) is reversed. The claimant voluntarily quit for good cause attributable to the employer. The claimant is qualified to receive unemployment insurance benefits, if she is otherwise eligible.

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Lynette A. F. Donner  
Administrative Law Judge

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Decision Dated and Mailed

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