

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**TRENTON A MALVEN**  
Claimant

**APPEAL NO: 11A-UI-03663-DWT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**ELECTRONIC DATA SYSTEMS CORP**  
Employer

**OC: 12/05/10**  
**Claimant: Appellant (1)**

Iowa Code § 96.3(5) – Business Closing

**PROCEDURAL STATEMENT OF THE CASE:**

The claimant appealed a representative's March 14, 2011 determination (reference 01) that denied his request to redetermine his claim as a business closing. The claimant participated in the hearing. The employer did not respond to the hearing notice or participate in the hearing. During the hearing, Claimant Exhibit A was offered and admitted as evidence. Based on the evidence, the arguments of the parties, and the law, the administrative law judge concludes the claimant's request to business closing benefits is denied.

**ISSUE:**

Should the claimant's' request for business closing benefits be granted or denied?

**FINDINGS OF FACT:**

The claimant started working for the employer in March 2009. His last day of work was November 26, 2010. The employer sold its business to HP (Hewlett Packard). HP operates at the same location the employer operated.

The department the claimant worked was phased out or eliminated by HP. The claimant worked in a department that handled outsource human resource matters. This area was sold to Xerox.

**REASONING AND CONCLUSIONS OF LAW:**

Iowa unemployment insurance law provides additional benefits for claimants laid off due to their employer going out of business at the factory, establishment, or other premises at which they were last employed. Iowa Code § 96.3(5). The unemployment insurance rules further provide business-closing benefits are to be paid retroactively to a claimant who is temporarily laid off with the expectation of returning to work and is prevented from returning to work because of the employer has gone out of business during the claimant's benefit year. 871 IAC 24.29(1). Finally, the rules define going out of business as any factory, establishment, or other premises of an employer that closes its doors and ceases to function as a business. An employer is not considered to have gone out of business at the factory, establishment, or other premises if the

employer sells or otherwise transfers the business to another employer and the successor employer continues to operate the business. 871 IAC 24.29(2).

The employer sold its business to HP. HP continues to operate at the same location that the claimant worked. The claimant worked for the employer in a section that outsourced human resource matters. This section of the employer's business was sold to Xerox and is not located at the same location. For unemployment insurance purposes, since HP bought the employer's business and continues to operate at the same location, the business did not close. The fact, the claimant's department was sold to another company or eliminated does not entitle him to business closing benefits since the business did not close at the location where the claimant worked. Therefore, the claimant's request for business closing benefits is denied.

**DECISION:**

The representative's March 14, 2011 determination (reference 01) is affirmed. The claimant's request to have his claim redetermined as a business closing is denied.

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Debra L. Wise  
Administrative Law Judge

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Decision Dated and Mailed

dlw/pjs