

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**DANIEL W LUNDIN**  
Claimant

**APPEAL NO. 14A-UI-07363-JTT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**DM SERVICES INC**  
Employer

**OC: 06/15/14**  
**Claimant: Appellant (2)**

Section 96.5(1) – Voluntary Quit

**STATEMENT OF THE CASE:**

Daniel Lundin filed a timely appeal from the July 8, 2014, reference 01, decision that disqualified him for benefits. After due notice was issued, a hearing was held on August 26, 2014. Mr. Lundin participated. Rachael Ottens represented the employer. Exhibit B was received into evidence.

**ISSUE:**

Whether Mr. Lundin's voluntary quit was for good cause attributable to the employer. It was.

**FINDINGS OF FACT:**

Having reviewed all of the evidence in the record, the administrative law judge finds: Daniel Lundin was employed by DM Services, Inc., as a full-time quality assurance monitor until June 3, 2014, when he voluntarily quit the employment due to changes in the conditions of the employment. In addition to performing quality assurance duties, Mr. Lundin also worked in the employer's credit department. Mr. Lundin had begun his employment in 2011. When Mr. Lundin was performing the quality assurance duties, his work hours were generally from 3:15 p.m. to 11:15 p.m. When Mr. Lundin worked in the credit area, his work hours were generally 2:00 p.m. 10:00 p.m. or 4:00 p.m. to midnight. Mr. Lundin's hourly wage was \$9.85 plus an additional 50 cents per hour shift differential for any work he performed after 3:00 p.m.

On May 21, 2014, the employer announced to its labor force that due to the Affordable Care Act, otherwise known as Obamacare, the employer was going to divide the labor force into two groups. One group of full-time employees would remain full-time. The second group would be reduced to part-time hours not to exceed 29 per week. The employer notified Mr. Lundin that he was to be assigned to the latter group due to concerns about his work performance and attendance. The employer also notified Mr. Lundin that it had decided that only employees assigned to the new full-time group could work in the quality assurance area. The employer notified Mr. Lundin that, effective June 9, 2014, he would no longer be assigned to the quality assurance area and would have to move to the credit or collector area of the agency. Mr. Lundin attempted to challenge the employer's decision, but the employer declined to reconsider his decision. The hourly pay in the credit area would be the same as in the quality

assurance area. The hourly pay in the collector area would be slightly higher. Mr. Lundin ultimately declined to accept the proposed changes in the conditions of the employment and voluntarily quit the employment. In making the decision not to accept the change in the conditions of the employment, Mr. Lundin considered, among other things, what he perceived to be his leadership role in quality assurance. The quality assurance duties involved coaching other employees on their work performance. The proposed new positions did not involve such duties.

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

Iowa Code § 96.5-1 provides:

An individual shall be disqualified for benefits:

1. Voluntary quitting. If the individual has left work voluntarily without good cause attributable to the individual's employer, if so found by the department.

In general, a voluntary quit requires evidence of an intention to sever the employment relationship and an overt act carrying out that intention. See Local Lodge #1426 v. Wilson Trailer, 289 N.W.2d 698, 612 (Iowa 1980) and Peck v. EAB, 492 N.W.2d 438 (Iowa App. 1992). 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. See 871 IAC 24.25.

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.

"Change in the contract of hire" means a substantial change in the terms or conditions of employment. See Wiese v. Iowa Dept. of Job Service, 389 N.W.2d 676, 679 (Iowa 1986). Generally, a substantial reduction in hours or pay will give an employee good cause for quitting. See Dehmel v. Employment Appeal Board, 433 N.W.2d 700 (Iowa 1988). In analyzing such cases, the Iowa Courts look at the impact on the claimant, rather than the employer's motivation. Id. An employee acquiesces in a change in the conditions of employment if he or she does not resign in a timely manner. See Olson v. Employment Appeal Board, 460 N.W.2d 865 (Iowa Ct. App. 1990).

The evidence in the record established a voluntary quit for good cause attributable to the employer based on substantial changes in the conditions of the employment. The primary change in the condition was the roughly 25 percent reduction in pay. That alone was sufficient to establish good cause for quitting. Mr. Lundin is eligible for benefits, provided he is otherwise eligible. The employer's account may be charged for benefits.

**DECISION:**

The claims deputy's July 8, 2014, reference 01, decision is reversed. The claimant quit the employment for good cause attributable to the employer. The claimant is eligible for benefits, provided he is otherwise eligible. The employer's account may be charged for benefits paid to the claimant.

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James E. Timberland  
Administrative Law Judge

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Decision Dated and Mailed

jet/pjs