

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

MATTHEW L SATTERLEE
Claimant

DEERE & COMPANY
Employer

APPEAL 21A-UI-24395-AD-T

**ADMINISTRATIVE LAW JUDGE
DECISION**

OC: 10/25/20
Claimant: Respondent (4R)

Iowa Code § 96.5(4) – Labor Disputes
Iowa Code § 96.4(3) – Able to and Available for Work
Iowa Code § 96.1A(37) – Total, Partial, Temporary Unemployment

STATEMENT OF THE CASE:

On November 1, 2021, Deere & Company (employer/appellant) filed a timely appeal from the Iowa Workforce Development decision dated October 20, 2021 (reference 02) that allowed unemployment insurance benefits beginning October 17, 2021 based on a finding that claimant was able and available for work during a short-term layoff.

A telephone hearing was held on January 10, 2022. The parties were properly notified of the hearing. The claimant participated personally. Deere & Company (employer/respondent) participated by HR Rep. Janice Gordon. Official notice was taken of the administrative record.

ISSUES:

- I. Is the claimant disqualified from benefits due to a labor dispute?
- II. Was the claimant able to and available for work?
- III. Was the claimant totally, partially, or temporarily unemployed?

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds:

Claimant began working for employer on April 28, 2003. Claimant continues to work for employer as an assembler in Department 543 of its Waterloo plant. Beginning on or about October 14, 2021, a stoppage of work began at this and other locations due to an employee strike concerning the terms and conditions of their employment. Claimant returned to work on November 18, 2021 after the work stoppage caused by the labor dispute ended.

Claimant is not a union member, he was able and available for work during the labor dispute, and he was directed by his supervisor not to report to work during the labor dispute. He was not directly financing or participating in the labor dispute.

Other employees in claimant's assembler position were participating in and interested in the labor dispute. Following the labor dispute employees in claimant's position - including claimant - received favorable changes in the conditions of their employment, including an increase in pay.

Claimant filed a claim for benefits in the weeks ending October 31, 2020; April 10, 2021; and October 23, 2021 through November 13, 2021. Claimant was temporarily unemployed due to a lack of work in the week ending October 31, 2020. Claimant was not available for work during the majority of the week ending April 10, 2021, as he was using paid time off for vacation. Claimant was totally unemployed from the benefit week ending October 23, 2021 through the benefit week ending November 13, 2021, due to a work stoppage caused by a labor dispute.

REASONING AND CONCLUSIONS OF LAW:

For the reasons set forth below, the decision dated October 20, 2021 (reference 02) that allowed unemployment insurance benefits beginning October 17, 2021 based on a finding that claimant was able and available for work during a short-term layoff is MODIFIED in favor of appellant.

Iowa Code section 96.1A(37) provides:

"Total and partial unemployment".

a. An individual shall be deemed "*totally unemployed*" in any week with respect to which no wages are payable to the individual and during which the individual performs no services.

b. An individual shall be deemed partially unemployed in any week in which either of the following apply:

(1) While employed at the individual's then regular job, the individual works less than the regular full-time week and in which the individual earns less than the individual's weekly benefit amount plus fifteen dollars.

(2) The individual, having been separated from the individual's regular job, earns at odd jobs less than the individual's weekly benefit amount plus fifteen dollars.

c. An individual shall be deemed temporarily unemployed if for a period, verified by the department, not to exceed four consecutive weeks, the individual is unemployed due to a plant shutdown, vacation, inventory, lack of work or emergency from the individual's regular job or trade in which the individual worked full-time and will again work full-time, if the individual's employment, although temporarily suspended, has not been terminated.

Iowa Code section 96.4(3) provides:

An unemployed individual shall be eligible to receive benefits with respect to any week only if the department finds that:

3. The individual is able to work, is available for work, and is earnestly and actively seeking work. This subsection is waived if the individual is deemed partially unemployed, while employed at the individual's regular job, as defined in section 96.19, subsection 38, paragraph "b", unnumbered paragraph (1), or temporarily unemployed as defined in section 96.19, subsection 38, paragraph "c". The work search requirements of this subsection and the disqualification requirement for failure to apply for, or to accept suitable

work of section 96.5, subsection 3 are waived if the individual is not disqualified for benefits under section 96.5, subsection 1, paragraph "h".

Iowa Code section 96.5(4) provides:

An individual shall be disqualified for benefits, regardless of the source of the individual's wage credits:

4. Labor disputes.

a. For any week with respect to which the department finds that the individual's total or partial unemployment is due to a stoppage of work which exists because of a labor dispute at the factory, establishment, or other premises at which the individual is or was last employed, provided that this subsection shall not apply if it is shown to the satisfaction of the department that:

1. The individual is not participating in or financing or directly interested in the labor dispute which caused the stoppage of work; and

2. The individual does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage, there were members employed at the premises at which the stoppage occurs, any of whom are participating in or financing or directly interested in the dispute.

b. Provided, that if in any case separate branches of work which are commonly conducted as separate businesses in separate premises are conducted in separate departments of the same premises, each such department shall, for the purposes of this subsection, be deemed to be a separate factory, establishment, or other premises.

Iowa Admin. Code r. 871-24.33(1) provides:

As used in sections 96.5(3) "b"(1) and 96.5(4), the term labor dispute shall mean any controversy concerning terms, tenure, or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment regardless of whether the disputants stand in the proximate relation of employer and employee. An individual shall be disqualified for benefits if unemployment is due to a labor dispute.

Iowa Admin. Code r. 871-24.34 provides in relevant part:

Labor dispute—policy.

(2) Union membership in and of itself is not the determinative factor in whether an individual is participating in, financing or directly interested in the labor dispute.

A claimant is disqualified from unemployment insurance benefits during a work stoppage caused by a labor dispute. A work stoppage due to a labor dispute must be the cause of unemployment to result in the striking worker's disqualification from receiving unemployment benefits. *Titan Tire Corp. v. Employment Appeal Bd.*, 641 N.W.2d 752 (Iowa 2002). There is an exception to this disqualification if the claimant is not financing, participating in, or directly interested in the labor

dispute **AND** does not belong to a class of workers who are financing, participating in, or directly interested in the labor dispute. See Iowa Code 96.5(4)(a).

There is little guidance in Iowa statutes, administration regulations, and case law as to what constitutes “financing, participating in, or being interested in the labor dispute” within the meaning of the statute at issue. However, the plain meaning of “interest” supports a finding that at minimum others in claimant’s class of workers who were on strike were “interested in the labor dispute.” See INTEREST, Black’s Law Dictionary (11th ed. 2019) (defining interest as “the object of any human desire; esp., advantage or profit of a financial nature.”).

The labor dispute concerned the terms and conditions of the employment of the class of workers claimant belongs to. As noted above, following the labor dispute employees in claimant’s position - including claimant - received favorable changes in the conditions of their employment, including an increase in pay. The administrative law judge finds that being on strike in order to secure more favorable terms and conditions of employment constitutes “being interested in the labor dispute” within the meaning of the statute.

Case law from the Illinois Appellate Court, while not binding here, is persuasive. The Illinois corollary to the Iowa statute also provides that claimants are “ineligible for benefits for any week with respect to which it is found that his total or partial unemployment is due to a stoppage of work which exists because of a labor dispute...” It also provides an exception where:

(A) the individual is not participating in or financing or directly interested in the labor dispute which caused the stoppage of work and

(B) he does not belong to a grade or class of workers of which immediately before the commencement of the stoppage there were members employed at the premises at which the stoppage occurs, any of whom are participating in or financing or directly interested in the dispute

820 Ill. Comp. Stat. Ann. 405/604. In a similar case to the one at hand, the Appellate Court of Illinois held that an employee who was not a union member was ineligible for unemployment benefits during a work stoppage caused by a labor dispute, where union members of his grade or class were on strike and therefore participating and interested in the labor dispute. *Boone v. Dep’t of Lab.*, 495 N.E.2d 66, 68 (1986). Because the court found claimant belonged to an interested grade or class of workers it did not reach the issue of whether the claimant was himself directly interested in the labor dispute to his receiving an increase in wages and benefits as a result of the strike. *Id.*

The administrative law judge finds employer has carried its burden of proving claimant’s unemployment from the benefit week ending October 23, 2021 through the benefit week ending November 13, 2021 was due to a work stoppage caused by a labor dispute. Specifically, the stoppage of work began at this and other locations due to an employee strike concerning the terms and conditions of their employment.

The administrative law judge further finds other employees in claimant’s assembler position – the same grade or class of workers as him - were participating in and interested in the labor dispute. It is unnecessary to reach the issue of whether claimant was directly financing, participating in the labor dispute.

Because claimant's unemployment was due to a work stoppage caused by a labor dispute and claimant does not meet both prongs of the statutory exemption to disqualification, benefits must be denied during the period of unemployment caused by the labor dispute.

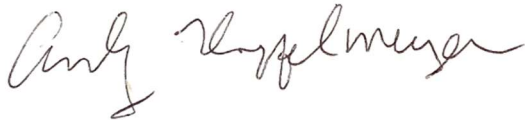
Claimant was temporarily unemployed due to a lack of work in the week ending October 31, 2020 and is eligible for benefits in that week. Claimant is not eligible for benefits in the week ending April 10, 2021. Claimant was not available for work during the majority of this week, as he was using paid time off for vacation.

DECISION:

The decision dated October 20, 2021 (reference 02) that allowed unemployment insurance benefits beginning October 17, 2021 based on a finding that claimant was able and available for work during a short-term layoff is MODIFIED in favor of appellant. Benefits are allowed in the week ending October 31, 2020. Benefits are denied in the week ending April 10, 2021. Claimant is disqualified from benefits in the other weeks claimed due to a labor dispute.

REMAND:

This matter is REMANDED to the Department for a determination as to whether claimant has been overpaid benefits.



Andrew B. Duffelmeyer
Administrative Law Judge
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February 1, 2022
Decision Dated and Mailed

abd/abd