

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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**KATHI L SCOTT**  
Claimant

**DAVIS COUNTY HOSPITAL**  
Employer

**APPEAL 14A-UI-05637-GT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**OC: 02/16/14  
Claimant: Appellant (2)**

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Iowa Code § 96.5(1) – Voluntary Quitting  
Iowa Admin. Code r. 871-24.26(1) – Voluntary Quitting – Change in Contract of Hire

**STATEMENT OF THE CASE:**

The claimant filed an appeal from the May 23, 2014, (reference 02) unemployment insurance decision that denied benefits based upon a finding that claimant quit without good cause. The parties were properly notified about the hearing. A telephone hearing was held on June 25, 2014. Claimant participated personally. Employer did not participate, and did not provide a phone number which it could be contacted.

**ISSUE:**

The issue in this matter is whether claimant quit for good cause attributable to employer?

**FINDINGS OF FACT:**

Having reviewed all of the evidence in the record, the administrative law judge finds: Claimant was employed full time as a Marketing Development Coordinator and was separated from employment on May 1, 2014. Claimant submitted her letter of resignation on April 3, 2014. On or about February 17, 2014 employer notified claimant that her hours of employment were going to be cut by 12 hours a week, and that her pay was going to be cut by \$4.00 an hour. She was also notified that since she would no longer be considered full time her medical and other benefits were no longer available to her. The work load remained the same, and that caused claimant to be concerned that she would not be able to get all her work done during the allotted time. She voiced her concerns to employer, but was told that the changes were being made because of financial concerns. Claimant tried to do the work and survive on less pay, but finally decided that she had to quit because of the changes that were made to her employment. She did give notice of her intent to quit in her letter of resignation on April 3, 2014. Employer did not make any changes in response to claimant's notice.

**REASONING AND CONCLUSIONS OF LAW:**

For the reasons that follow, the administrative law judge concludes the claimant did voluntarily leave the employment with good cause attributable to the employer.

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.

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.

In general, a substantial pay reduction of 25 to 35 percent or a similar reduction of working hours creates good cause attributable to the employer for a resignation. *Dehmel v. Emp't Appeal Bd.*, 433 N.W.2d 700 (Iowa 1988). A notice of an intent to quit had been required by *Cobb v. Emp't Appeal Bd.*, 506 N.W.2d 445, 447-78 (Iowa 1993), *Suluki v. Emp't Appeal Bd.*, 503 N.W.2d 402, 405 (Iowa 1993), and *Swanson v. Emp't Appeal Bd.*, 554 N.W.2d 294, 296 (Iowa Ct. App. 1996). Those cases required an employee to give an employer notice of intent to quit, thus giving the employer an opportunity to cure working conditions. However, in 1995, the Iowa Administrative Code was amended to include an intent-to-quit requirement. The requirement was only added to rule 871-24.26(6)(b), the provision addressing work-related health problems. No intent-to-quit requirement was added to rule 871-24.26(4), the intolerable working conditions provision. Our supreme court recently concluded that, because the intent-to-quit requirement was added to Iowa Admin. Code r. 871-24.26(6)(b) but not 871-24.26(4), notice of intent to quit is not required for intolerable working conditions. *Hy-Vee, Inc. v. Emp't Appeal Bd.*, 710 N.W.2d 1 (Iowa 2005).

Since there was no disqualifying basis for the demotion, the quit because of the change in contract of hire was with good cause attributable to the employer. Inasmuch as the claimant would suffer a substantial reduction in pay, she lost her medical and other benefits, and employer has not established misconduct as a reason for the effective demotion, the change of the terms of employment is considered substantial. Thus the separation was with good cause attributable to the employer. Benefits are allowed.

**DECISION:**

The May 23, 2014, (reference 02) decision is reversed. The claimant voluntarily left the employment with good cause attributable to the employer. Benefits are allowed, provided the claimant is otherwise eligible.

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Duane L. Golden  
Administrative Law Judge

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Decision Dated and Mailed

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