

IOWA WORKFORCE DEVELOPMENT
Unemployment Insurance Appeals Section
1000 East Grand—Des Moines, Iowa 50319
DECISION OF THE ADMINISTRATIVE LAW JUDGE
68-0157 (7-97) – 3091078 - EI

TRACY E LILES
11355 QUAIL AVE
BLOOMFIELD IA 52537

OTTUMWA FORD-LINCOLN-MERCURY
INC
613 RICHMOND AVE
PO BOX 575
OTTUMWA IA 52501

Appeal Number: 05A-UI-11177-JTT
OC: 10/02/05 R: 03
Claimant: Appellant (1)

This Decision Shall Become Final, unless within fifteen (15) days from the date below, you or any interested party appeal to the Employment Appeal Board by submitting either a signed letter or a signed written Notice of Appeal, directly to the **Employment Appeal Board, 4th Floor—Lucas Building, Des Moines, Iowa 50319**.

The appeal period will be extended to the next business day if the last day to appeal falls on a weekend or a legal holiday.

STATE CLEARLY

1. The name, address and social security number of the claimant.
2. A reference to the decision from which the appeal is taken.
3. That an appeal from such decision is being made and such appeal is signed.
4. The grounds upon which such appeal is based.

YOU MAY REPRESENT yourself in this appeal or you may obtain a lawyer or other interested party to do so provided there is no expense to Workforce Development. If you wish to be represented by a lawyer, you may obtain the services of either a private attorney or one whose services are paid for with public funds. It is important that you file your claim as directed, while this appeal is pending, to protect your continuing right to benefits.

(Administrative Law Judge)

(Decision Dated & Mailed)

Section 96.3(5) – Duration of Benefits
871 IAC 24.29 – Business Closing

STATEMENT OF THE CASE:

Tracy Liles filed a timely appeal from the October 21, 2005, reference 01, decision that his benefits would not be re-determined and that he had not been laid off pursuant to a business closing. After due notice was issued, a hearing was held on November 15, 2005. Mr. Liles participated. Department Exhibit D-1 was received into evidence.

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds: Mr. Liles was employed by Ottumwa Ford-Lincoln-Mercury as a full-time auto body technician. The dealership was located at 613 Richmond Avenue in Ottumwa and Mr. Liles worked at that location. Ottumwa Ford-Lincoln-Mercury sold its business to Clemons Incorporated. The sale

was effective September 21, 2005. Ottumwa Ford-Lincoln-Mercury laid off Mr. Liles prior to the transfer of ownership. The new owner continued to operate the business at the same location.

REASONING AND CONCLUSIONS AT LAW:

The question for the administrative law judge is whether the evidence in the record establishes that Mr. Liles was laid off due to a business closing. It does not.

Iowa Code section 96.3-5 provides:

5. Duration of benefits. The maximum total amount of benefits payable to an eligible individual during a benefit year shall not exceed the total of the wage credits accrued to the individual's account during the individual's base period, or twenty-six times the individual's weekly benefit amount, whichever is the lesser. The director shall maintain a separate account for each individual who earns wages in insured work. The director shall compute wage credits for each individual by crediting the individual's account with one-third of the wages for insured work paid to the individual during the individual's base period. However, the director shall recompute wage credits for an individual who is laid off due to the individual's employer going out of business at the factory, establishment, or other premises at which the individual was last employed, by crediting the individual's account with one-half, instead of one-third, of the wages for insured work paid to the individual during the individual's base period. Benefits paid to an eligible individual shall be charged against the base period wage credits in the individual's account which have not been previously charged, in the inverse chronological order as the wages on which the wage credits are based were paid. However if the state "off indicator" is in effect and if the individual is laid off due to the individual's employer going out of business at the factory, establishment, or other premises at which the individual was last employed, the maximum benefits payable shall be extended to thirty-nine times the individual's weekly benefit amount, but not to exceed the total of the wage credits accrued to the individual's account.

871 IAC 24.29(2) provides:

(2) Going out of business means any factory, establishment, or other premises of an employer which closes its door and ceases to function as a business; however, an employer is not considered to have gone out of business at the factory, establishment, or other premises in any case in which the employer sells or otherwise transfers the business to another employer, and the successor employer continues to operate the business.

The evidence establishes that Mr. Liles was not laid off as the result of a business closing, since the new owner continued to operate the business on the premises at which Mr. Liles was employed.

Based on the evidence in the record and application of the law cited above, the administrative law judge concludes that Mr. Liles' unemployment insurance benefits should not be re-determined as based on a business closing.

DECISION:

The Agency representative's decision dated October 21, 2005, reference 01, is affirmed. The claimant was not laid off due to a business closing. The claimant's benefits should be determined accordingly.

jt/pjs