

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**JOSHUA W CRANDALL**  
Claimant

**APPEAL NO: 12A-UI-13821-DWT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**AMERICAN BLUE RIBBON HOLDINGS LLC**  
Employer

**OC: 10/14/12**  
**Claimant: Respondent (1)**

Iowa Code § 96.5(1) – Voluntary Quit

**PROCEDURAL STATEMENT OF THE CASE:**

The employer appealed a representative's November 13, 2012 determination (reference 01) that held the claimant eligible to receive benefits and the employer's account subject to charge because the claimant voluntarily quit his employment for reasons that qualify him to receive benefits. The claimant participated in the hearing. Tom Kuiper, a representative with TALX, appeared on the employer's behalf and Jean Montgomery, the general manager, testified on the employer's behalf. Based on the evidence, the arguments of the parties, and the law, the administrative law judge finds the claimant is qualified to receive benefits as of October 14, 2012.

**ISSUE:**

Did the claimant voluntarily quit his employment for reasons that qualify him to receive benefits?

**FINDINGS OF FACT:**

The claimant started working for the employer in April 2005. He worked as a server and trained new employees. For over seven years, the employer scheduled the claimant to work Monday through Thursday from 2 p.m. to midnight.

Montgomery became the restaurant manager in August 2012. After new management took over, the schedule changed. After Labor Day, the employer scheduled the claimant to start later than 2 p.m. The claimant had been working 38 hours a week. The employer's new schedule reduced the claimant's hours of work a week by 12 hours. The claimant had not received any warnings concerning his performance, but new employees were scheduled hours he previously worked. The claimant did not understand why his hours were reduced.

On October 3, the claimant gave his verbal notice that he was resigning in a couple of weeks. He told the scheduler he would work until October 18. The claimant's last scheduled day of work was October 11. The claimant quit because his hours were reduced and new management did not communicate or show any cooperation. The claimant would have worked weekends, but he was not scheduled to work weekends and understood new employees were scheduled to work weekends.

**REASONING AND CONCLUSIONS OF LAW:**

A claimant is not qualified to receive unemployment insurance benefits if he quits without good cause attributable to the employer. Iowa Code § 96.5(1). When a claimant quits, he has the burden to establish he quit for reasons that qualify him to receive benefits. Iowa Code § 96.6(2). The law presumes a claimant leaves employment with good cause when he quits because of a substantial change in the employment contract. 871 IAC 24.26(1). The evidence indicates that after the employer changed the claimant's scheduled hours for business reasons, he was scheduled to work about 33 percent fewer hours a week. An employer has the right to change an employee's hours of work for business needs. If the change results in a substantial change in employment, a claimant has good cause to quit and receive benefits.

In *Dehmel v. Employment Appeal Board*, 433 N.W.2d 700 (Iowa 1988), the Iowa Supreme Court ruled that a 25 percent to 35 percent reduction in hours was, as a matter of law, a substantial change in the contract of hire. The Court stated that:

It is not necessary to show that the employer acted negligently or in bad faith to show that an employee left with good cause attributable to the employer.... [G]ood cause attributable to the employer can exist even though the employer be free from all negligence or wrongdoing in connection therewith.

(*Id.* at 702.) The claimant established that his reduction in hours of work, as a matter of law, amounted to a substantial change in his employment. Therefore, the claimant quit for reasons that qualify him to receive benefits.

**DECISION:**

The representative's November 13, 2012 determination (reference 01) is affirmed. The claimant voluntarily quit for reasons that qualify him to receive benefits. As of October 14, 2012, the claimant is qualified to receive benefits, provided he meets all other eligibility requirements. The employer's account is subject to charge.

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Debra L. Wise  
Administrative Law Judge

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Decision Dated and Mailed

dlw/pjs