

**IOWA WORKFORCE DEVELOPMENT
UNEMPLOYMENT INSURANCE APPEALS**

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

KATHERINE J FRERICK
Claimant

APPEAL NO. 17A-UI-04609-JTT

**ADMINISTRATIVE LAW JUDGE
DECISION**

TARGET CORPORATION
Employer

OC: 04/02/17
Claimant: Respondent (1)

Iowa Code Section 96.5(1) – Voluntary Quit

STATEMENT OF THE CASE:

The employer filed a timely appeal from the April 20, 2017, reference 01, decision that allowed benefits to claimant Katherine Frerick provided she was otherwise eligible and that held the employer's account could be assessed for benefits, based on the claims deputy's conclusion that Ms. Frerick voluntarily quit on March 21, 2017 for good cause attributable to the employer due to a change in the contract of hire. After due notice was issued, a hearing was held on May 24, 2017. Ms. Frerick participated. Shawna Kimm represented the employer and presented additional testimony through Jim Leboeuf and Tim Carr. The administrative law judge took official notice of the agency's record of benefits disbursed to the claimant and received Exhibit 1 into evidence. The administrative law judge took official notice of the fact-finding documents for the limited purpose of ruling on whether the employer participated in the fact-finding interview.

ISSUE:

Whether Ms. Frerick voluntary quit was for good cause attributable to the employer.

Whether the employer's account may be assessed for benefits.

FINDINGS OF FACT:

Having reviewed all of the evidence in the record, the administrative law judge finds: Katherine Frerick began her employment with Target Corporation in 2002 and last performed work for the employer on March 21, 2017. From the start of her employment until March 4, 2017, Ms. Frerick was the full-time Target Team Lead/manager for the Starbucks located in the Target Store on Edgewood Drive in Cedar Rapids. Ms. Frerick was responsible for all aspects of operating the Starbucks and supervised eight to 15 employees. The Starbucks generated approximately \$500,000.00 in annual sales for the store. Ms. Frerick worked an average of 37 hours per week. Her wage during the last year of the employment was \$22.64 per hour. Her work hours included 7:00 a.m. to 3:30 p.m. on Monday and Tuesday, 1:00 to 9:00 p.m. on Wednesday, working an opening or closing shift on Friday and every other weekend.

Toward the end of Ms. Frerick's employment Target Corporation decided to eliminate the full-time Team Lead/manager position in the Target Café/Pizza Hut area. The employer reassigned that person to a different area and reassigned the Target Café/Pizza Hut duties to Ms. Frerick. The change was effective March 4, 2017. Ms. Frerick's new job title was Food Service Team Lead. The Target Café/Pizza Hut area generated \$150,000.00 to \$200,000.00 in annual sales. Ms. Frerick was to assume responsibility for all aspects of the Target Café/Pizza Hut area, including supervision of six additional employees. The employer expected that Ms. Frerick would continue to perform all of her assigned duties in the Starbuck's area, but dedicate only three days per week to that area. The employer expected that Ms. Frerick would dedicate two days per week to the Team Lead/manager duties in the Target Café/Pizza Hut area. Ms. Frerick's work hours and pay were to remain unchanged. Beginning February 28, 2017, Ms. Frerick began training in the newly assigned duties. On March 8, Ms. Frerick commenced an approved period of vacation. Ms. Frerick returned to work on March 21, 2017. During her shift that day, Ms. Frerick gave notice to Jim Leboeuf, Store Team Lead, that she was quitting effective immediately; Ms. Frerick told Mr. Leboeuf that the combined areas were too much for her to supervise and that she was not comfortable with the added 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 establishes a timely quit in response to substantial changes in the conditions of the employment. Based on the annual revenue figures provided by the employer, the additional duties amount to a 30 to 40 percent increase in Ms. Frerick's work load. The employer expected Ms. Frerick to perform her original duties and the additional duties during the same number of hours per week and for the same pay. The number of employees Ms. Frerick would need to supervise substantially increased. The employer expected Ms. Frerick to perform her full-time Starbucks duties, but do those duties in 40 percent less time. The employer expected Ms. Frerick to perform the full-time duties of the Target Café/Pizza Hut Team Lead, but do them with 60 percent less time than had been allotted to the full-time Target Café/Pizza Hut Team Lead.

Ms. Frerick voluntarily quit the employment on March 21, 2017 for good cause attributable to the employer. Accordingly, Ms. Frerick is eligible for benefits, provided she is otherwise eligible. The employer's account may be charged for benefits.

DECISION:

The April 20, 2017, reference 01, decision is affirmed. The claimant quit the employment on March 21, 2017 for good cause attributable to the employer due to a substantial change in the conditions of the employment. The claimant is eligible for benefits, provided she is otherwise eligible. The employer's account may be charged for benefits.

James E. Timberland
Administrative Law Judge

Decision Dated and Mailed

jet/rvs