

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**DEANEA L STILES**

Claimant

**APPEAL NO. 09A-UI-02413-NT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**FEDERAL RESERVE BANK-DES MOINES**

Employer

**OC: 11/16/08**

**Claimant: Appellant (2)**

Section 96.3-5 – Duration of Benefits (Employer Going Out of Business/Recomputation of Wage Credits)

**STATEMENT OF THE CASE:**

The claimant, Deanea L. Stiles, filed a timely appeal from the February 3, 2009, reference 03, unemployment insurance decision which determined that her request to have her unemployment insurance claim redetermined as a business closing was denied. After due notice was issued, a telephone hearing was scheduled for and held on March 10, 2009. The claimant responded to the Notice of Appeal and participated in the hearing. The employer, Federal Reserve Bank-Des Moines, did not respond to the Notice of Appeal and telephone hearing and did not participate. Claimant's Exhibits One and Two were admitted into evidence.

**ISSUE:**

The issue is whether the claimant was laid off due to a business closing.

**FINDINGS OF FACT:**

Having heard the testimony of the witness and having examined all of the evidence in the record, including Claimant's Exhibits One and Two, the administrative law judge finds the claimant was employed by the Federal Reserve Bank-Des Moines from August 1975 until September 30, 2008 when she was laid off as the Federal Reserve Bank-Des Moines began closing its business operations. The claimant and other similarly situated workers had been informed by the Federal Reserve System that the facility would close in 2010, however, due to declining work at the Des Moines location, a decision was made to close the facility earlier. The facility located in Des Moines, Iowa closed its business effective January 31, 2009 whereupon business operations at that location ceased and no further banking business continued. The Federal Reserve System had migrated to electronic check processing and, therefore, consolidated numerous area locations. Because of the consolidation, the claimant's position was eliminated and the facility where she was employed ceased operations and closed effective January 31, 2009.

## **REASONING AND CONCLUSIONS OF LAW:**

The issue presented in this appeal is whether the claimant was laid off due to her employer going out of business and, therefore, is entitled to have her wage credits re-computed. The administrative law judge concludes that the claimant was laid off as the result of the employer's going out of business and is, therefore, entitled to a re-computation of her wage credits.

871 IAC 24.29(1) provides:

Business closing.

(1) Whenever an employer at a factory, establishment, or other premises goes out of business at which the individual was last employed and is laid off, the individual's account is credited with one-half, instead of one-third, of the wages for insured work paid to the individual during the individual's base period. This rule also applies retroactively for monetary redetermination purposes during the current benefit year of the individual who is temporarily laid off with the expectation of returning to work once the temporary or seasonal factors have been eliminated and is prevented from returning to work because of the going out of business of the employer within the same benefit year of the individual. This rule also applies to an individual who works in temporary employment between the layoff from the business closing employer and the Claim for Benefits. For the purposes of this rule, temporary employment means employment of a duration not to exceed four weeks.

Going out of business as stated in the Iowa Administrative Code means any factory, establishment or other premises of an employer which closes its doors and ceases to function as a business. 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.

In this case the administrative law judge concludes that the employer went out of business in its Des Moines, Iowa location effective January 31, 2009. The claimant's testimony establishes that the employer closed its doors and ceased business effective January 31, 2009 at its Des Moines, Iowa location. This is confirmed by exhibits submitted by the claimant verifying the employer's intention to close and cease business operations. There is no evidence that the employer's premises in Des Moines, Iowa was sold or transferred or that a successor employer continues to operate the business. Accordingly, the administrative law judge concludes that the employer is considered to have gone out of business and as a consequence the claimant was laid off due to the employer going out of business and the claimant is, therefore, entitled to re-computation of her wage credits.

**DECISION:**

The representative's decision dated February 3, 2009, reference 03, is reversed. The claimant, Deanea Stiles, is entitled to have her unemployment insurance claim redetermined as a business closing including a re-computation of her wage credits and the claimant's request for such redetermination re-computation is granted.

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Terence P. Nice  
Administrative Law Judge

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Decision Dated and Mailed

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